

# **ECONOMIC IMPACT OF MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FISCAL YEAR 2014**



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# **ECONOMIC IMPACT OF MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FISCAL YEAR 2014**

## **EXECUTIVE SUMMARY**

The Maryland Department of Housing and Community Development (DHCD) works with partners to finance housing opportunities and revitalize great places for Maryland citizens to live, work and prosper. This mission is supported by three major operating divisions that implement the Department's single-family, multifamily, and neighborhood revitalization programs. Funding for these programs is generated from revenue bonds, federal funds and state funds -- direct financial resources -- as well as monies leveraged from private and federal sources.

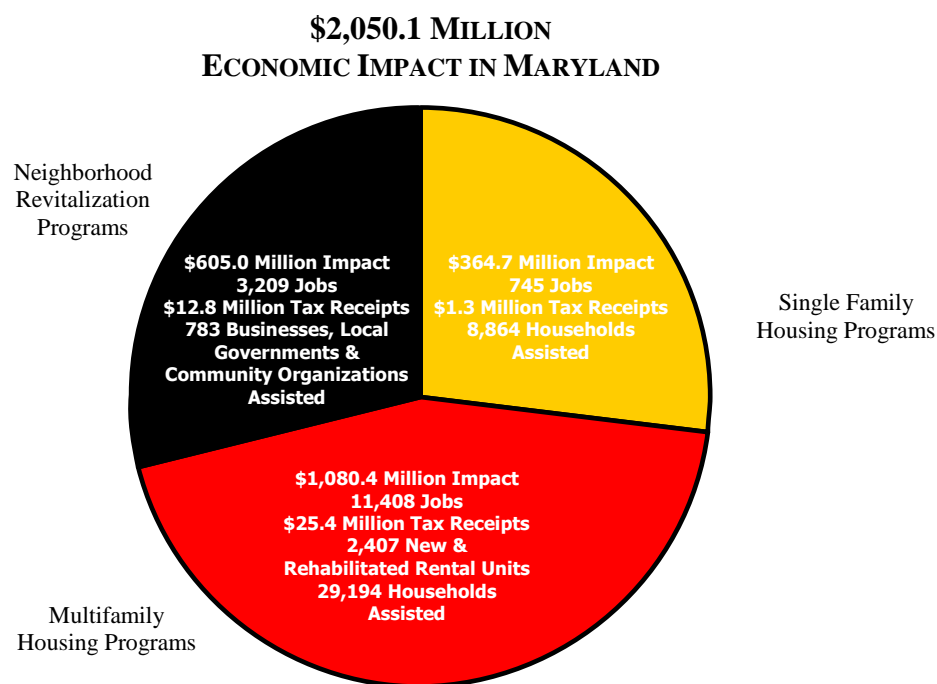
In FY 2014, a total of \$1,348.1 million funded various housing and community development programs in Maryland. The direct financial resources of DHCD were \$765.4 million accounting for 56.8 percent of all resources. Bond funds totaled \$379.1 million or 28.1 percent of the resources, the largest funding source in FY 2014. Federal funds, the second largest funding source, totaled \$268.0 million or 19.9 percent of the resources, while state funding from general and special funds, tax credits and general obligation bonds amounted to \$118.3 million, representing 8.8 percent of the resources. These direct funds leveraged an additional \$582.8 million in private and federal funds, representing the remaining 43.2 percent of all financial resources. Therefore, every dollar of direct DHCD resources generated an additional \$0.76 in leveraged funds. Overall, the DHCD funding of various housing programs assisted 49,196 Maryland families with affordable homeownership, foreclosure prevention counseling, affordable rental housing, and housing rehabilitation needs in FY 2014.

Investment in single family programs was \$329.5 million or 24.4 percent of all DHCD expenditures. These investments assisted 8,864 Maryland families with their homeownership and housing rehabilitation needs. Investment in multifamily programs totaled \$692.67 million or 51.4 percent of total resources. The multifamily programs created 2,407 new and rehabilitated rental housing units and provided rental subsidies to 26,787 low income Maryland families. Investment in neighborhood revitalization programs amounted to \$325.9 million or 24.2 percent of the total. These programs served 400 communities, assisted 388 businesses, and funded 200 projects across Maryland. In addition, a total of 11,153 homeowners facing foreclosure received counseling through the Department's HOPE initiative.

Financial investments by DHCD produce significant economic and fiscal benefits in Maryland. These benefits are derived from additional expenditures in construction and financial services as well as new household spending associated with rental housing subsidies. This study quantifies the direct, secondary (spin-off) and total impacts of DHCD's financial activities on the Maryland economy in Fiscal Year 2014. Total economic impact is the sum of direct and secondary economic benefits. The economic impact is measured by gross output or expenditures, full-time equivalent jobs, wages and salaries, and revenues from selected state and local tax receipts. These taxes include state retail sales tax, state personal income tax, state real property tax, local personal income surtax and local real property tax. The impact figures are estimated using the Department's Resource Allocation Model (RAM-DHCD).

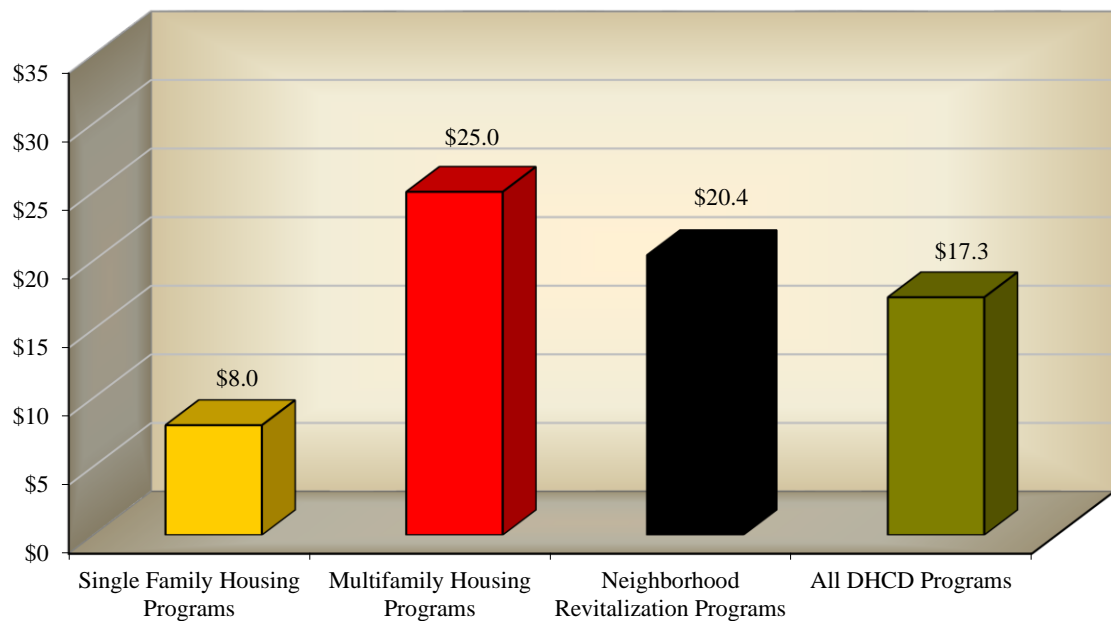
In FY 2014, the financial activities of DHCD generated \$2,050.1 million in total expenditures, \$568.5 million in wages and salaries, 15,362 full-time equivalent jobs, and an estimated \$39.5 million in selected State and local tax revenues (Exhibits 1-4). Every one million dollars of DHCD State funds generated a total of 130 full-time equivalent jobs across all DHCD programs. Every dollar of DHCD State funds leveraged \$11.4 in direct investment and \$17.3 in total economic impact statewide.

### **EXHIBIT 1: ECONOMIC IMPACT OF DHCD PROGRAMS FISCAL YEAR 2014**



**EXHIBIT 2**  
**RETURN ON STATE INVESTMENT IN DHCD PROGRAMS**  
**FY 2014**

**EVERY DOLLAR OF STATE FUNDS INVESTED IN DHCD PROGRAMS  
GENERATED \$17.3 OF ECONOMIC IMPACT IN MARYLAND**



**EXHIBIT 3**  
**ECONOMIC IMPACT OF DHCD PROGRAMS**  
**FISCAL YEAR 2014**

<b>Indicator</b>	<b>Single Family</b>	<b>Multi Family<sup>3</sup></b>	<b>Neighborhood Revitalization</b>	<b>All Programs*</b>
<i><b>Financial Resources</b></i>				
DHCD Resources (\$millions)	\$329.5	\$387.3	\$48.5	\$765.4
State Funds	\$45.5	\$43.2	\$29.6	\$118.3
Federal Funds	\$11.0	\$238.0	\$19.0	\$268.0
Bond Funds	\$273.0	\$106.1	\$0.0	\$379.1
Leveraged Funds (\$millions)	\$0.0	\$305.4	\$277.3	\$582.8
Direct investment (\$millions) <sup>1</sup>	\$329.5	\$692.7	\$325.9	\$1,348.1
Share of All Programs	24.4%	51.4%	24.2%	100.0%
<i><b>Economic Impact</b></i>				
Economic impact statewide (\$millions)	\$364.7	\$1,080.4	\$605.0	\$2,050.1
Wages and Salaries (\$millions)	\$21.8	\$371.1	\$175.6	\$568.5
Number of jobs created <sup>2</sup>	745	11,408	3,209	15,362
State and local taxes generated by DHCD projects (\$millions)	\$1.3	\$25.4	\$12.8	\$39.5
Direct investment leveraged per dollar of State funds	\$7.2	\$16.0	\$11.0	\$11.4
Economic impact per dollar of State funds	\$8.0	\$25.0	\$20.4	\$17.3
<i><b>Outcome Measures</b></i>				
Number of Loans	3,532	28	12	3,572
Number of Grants	5,409	197	315	5,921
Affordable Rental Units	0	2,407	0	2,407
Subsidized Units/Households Assisted	8,849	29,194	11,153	49,196
Communities Served	0	26	400	426
Projects Funded	23	26	200	249
Businesses Served	0	0	383	383

*Notes:*

<sup>1</sup>Investment includes federal, local and privately-leveraged funds

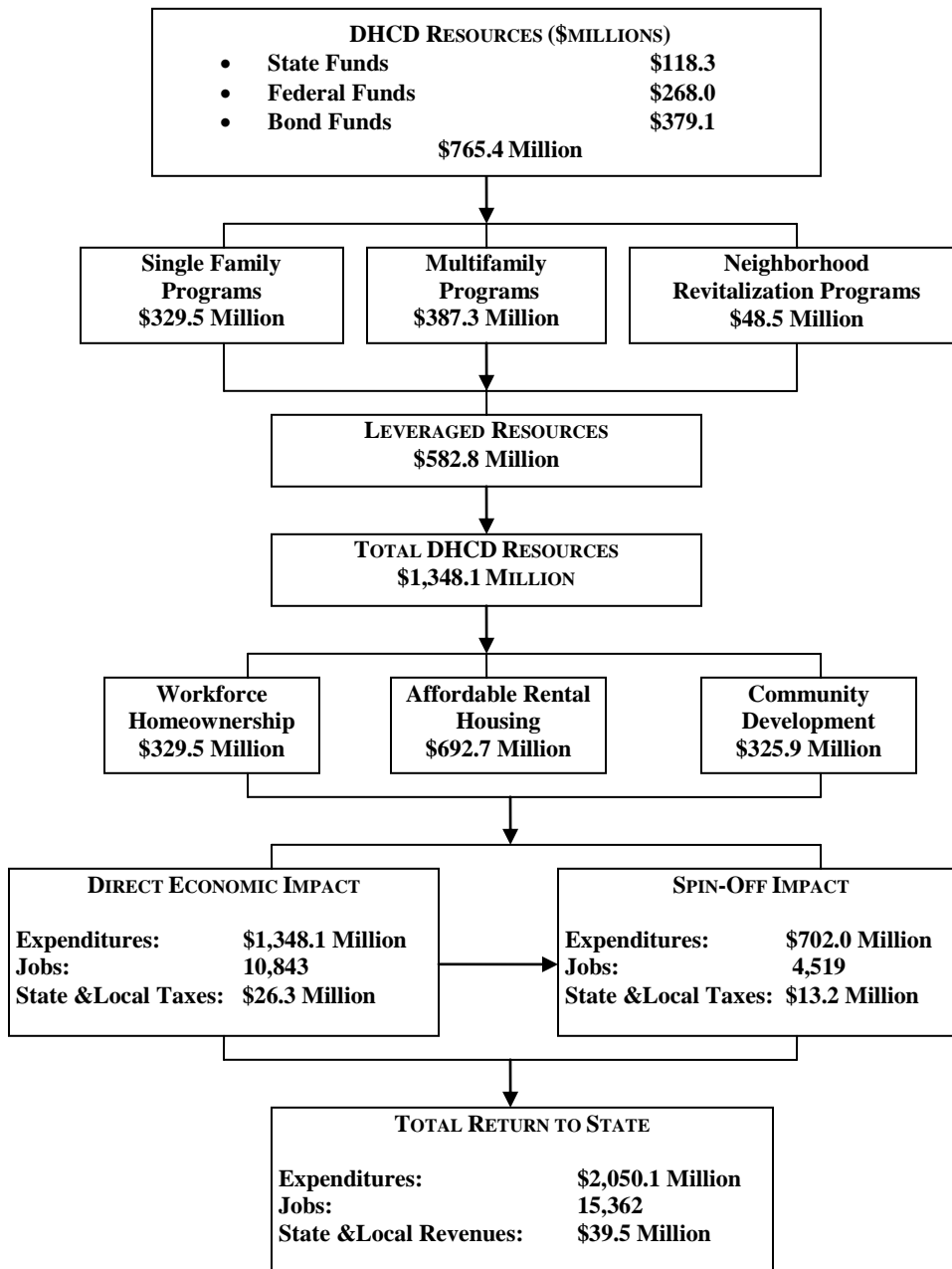
<sup>2</sup>Jobs represent full-time equivalents

<sup>3</sup>Investment includes development costs and rental subsidies excluding debt service reserve funds

\*Totals may not add due to rounding

Source: DHCD, Office of Policy, Planning and Research

# **EXHIBIT 4** **ECONOMIC FLOW OF DHCD PROGRAMS** **FISCAL YEAR 2014**



*Note: Totals may not add up due to rounding*

*Source: Maryland Department of Housing and Community Development*

# **ECONOMIC IMPACT OF MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FISCAL YEAR 2014**

## **INTRODUCTION**

The Maryland Department of Housing and Community Development (DHCD) is a cabinet-level State agency created in 1987 to strengthen communities and to provide affordable housing for people of limited income. The DHCD works with partners to finance housing opportunities and revitalize great places for Maryland citizens to live, work and prosper. This mission is supported by three major operating divisions that implement the Department's single-family, multifamily, and neighborhood revitalization programs. Funding for these programs is generated from revenue bonds, federal funds and state funds -- direct financial resources -- as well as monies leveraged from private and federal sources. This study describes the activities and resources of the DHCD and quantifies the direct and secondary (spin-off) economic and fiscal impacts of the department's financial activities on the Maryland economy in fiscal year (FY) 2013.

In FY 2014, a total of \$1,348.1 million funded various housing and community development programs in Maryland. The direct financial resources of DHCD were \$765.4 million accounting for 56.8 percent of all resources. Bond funds totaled \$379.1 million or 28.1 percent of the resources, the largest funding source in FY 2014. Federal funds, the second largest funding source, totaled \$268.0 million or 19.9 percent of the resources, while state funding from general and special funds, tax credits and general obligation bonds amounted to \$118.3 million, representing 8.8 percent of the resources. These direct funds leveraged an additional \$582.8 million in private and federal funds, representing the remaining 43.2 percent of all financial resources. Therefore, every dollar of direct DHCD resources generated an additional \$0.76 in leveraged funds. Overall, the DHCD funding of various housing programs assisted 49,196 Maryland families with affordable homeownership, foreclosure prevention counseling, affordable rental housing, and housing rehabilitation needs in FY 2014.

Investment in single family programs was \$329.5 million or 24.4 percent of all DHCD expenditures. These investments assisted 8,849 Maryland families with their homeownership and housing rehabilitation needs. Investment in multifamily programs totaled \$692.67 million or 51.4 percent of total resources. The multifamily programs created 2,407 new and rehabilitated rental housing units and provided rental subsidies to 26,787 low income Maryland families. Investment in neighborhood revitalization programs amounted to \$325.9 million or 24.2 percent of the total. These programs served 400 communities, assisted 388 businesses, and funded 200 projects across Maryland. In addition, a total of 11,153 homeowners facing foreclosure received counseling through the Department's HOPE initiative.



**TABLE 1**  
**FINANCIAL ACTIVITIES AND PROGRAM OUTCOMES OF DHCD**  
**FISCAL YEAR 2014**

<b>Category</b>	<b>Single Family</b>	<b>Multi- Family</b>	<b>Neighborhood Revitalization</b>	<b>All Programs</b>
<i><b>Financial Activities</b></i>				
DHCD Resources (\$millions)	\$329.5	\$387.3	\$48.5	\$765.4
State Funds	\$45.5	\$43.2	\$29.6	\$118.3
Federal Funds	\$11.0	\$238.0	\$19.0	\$268.0
Bond Funds	\$273.0	\$106.1	\$0.0	\$379.1
Leveraged Funds (\$millions)	\$0.0	\$305.4	\$277.3	\$582.8
Total Resources (\$millions)	\$329.5	\$692.7	\$325.9	\$1,348.1
Share of All Programs	24.4%	51.4%	24.2%	100.0%
Direct Investment per \$1 of State Funds	\$7.2	\$16.0	\$11.0	\$11.4
<i><b>Outcome Measures</b></i>				
Number of Loans	3,532	28	12	3,572
Number of Grants	5,409	197	315	5,921
Affordable Rental Units	0	2,407	0	2,407
Subsidized Units/Households Assisted	8,849	29,194	11,153	49,196
Communities Served	0	26	400	426
Projects Funded	23	26	200	249
Businesses Served	0	0	383	383

*Note: Totals may not add due to rounding*

*Source: Maryland Department of Housing and Community Development*

Table 2 shows the distribution of DHCD investment across Maryland counties and Baltimore City by expenditures per household. In FY 2014, DHCD investment amounted to an average of about \$640 per household. Investment per household was below \$300 in Calvert County, Howard County, Montgomery County and Queen Anne's County; ranged between \$300 and \$500 in Anne Arundel County, Carroll County, Garrett County, Harford County, Prince George's County and Worcester County; between \$500 to \$1,000 in Allegany County, Baltimore County, Caroline County, Charles County, Frederick County, Kent County and Washington County; and exceeded \$1,000 in Cecil, Dorchester, Somerset, St. Mary's, Talbot, Wicomico counties as well as Baltimore City.

**TABLE 2**  
**DHCD PROGRAM INVESTMENT**  
**FISCAL YEAR 2014**

<b>Jurisdiction</b>	<b>DHCD Resources (\$millions)</b>	<b>Leveraged Funds (\$millions)</b>	<b>Total Investment</b>	
			<b>Amount (\$millions)</b>	<b>Per Household</b>
Allegany	\$9.5	\$7.6	\$17.1	\$605
Anne Arundel	\$48.8	\$8.8	\$57.6	\$307
Baltimore	\$115.9	\$116.6	\$232.5	\$743
Baltimore City	\$153.7	\$188.0	\$341.7	\$1,352
Calvert	\$2.1	\$1.6	\$3.6	\$120
Caroline	\$5.4	\$5.4	\$10.8	\$876
Carroll	\$11.7	\$15.5	\$27.2	\$461
Cecil	\$28.2	\$53.1	\$81.4	\$2,239
Charles	\$33.4	\$0.2	\$33.6	\$690
Dorchester	\$6.8	\$16.8	\$23.5	\$1,773
Frederick	\$35.4	\$15.6	\$51.0	\$629
Garrett	\$2.9	\$1.3	\$4.3	\$374
Harford	\$33.5	\$6.1	\$39.6	\$452
Howard	\$16.5	\$6.7	\$23.2	\$232
Kent	\$2.7	\$1.5	\$4.2	\$520
Montgomery	\$60.4	\$22.0	\$82.4	\$233
Prince George's	\$98.1	\$13.4	\$111.4	\$379
Queen Anne's	\$2.5	\$0.2	\$2.7	\$152
Somerset	\$6.7	\$16.8	\$23.5	\$2,659
St. Mary's	\$36.2	\$5.4	\$41.6	\$1,150
Talbot	\$9.8	\$6.4	\$16.2	\$1,054
Washington	\$18.5	\$18.2	\$36.7	\$669
Wicomico	\$18.6	\$19.3	\$37.9	\$1,057
Worcester	\$3.9	\$2.9	\$6.8	\$327
Multi-Jurisdiction	\$4.4	\$33.2	\$37.6	\$18
<b>Maryland</b>	<b>\$765.4</b>	<b>\$582.8</b>	<b>\$1,348.1</b>	<b>\$640</b>

*Note: Totals may not add due to rounding*

*Source: Maryland Department of Housing and Community Development*

## **ECONOMIC IMPACT METHODOLOGY**

The financial activities of DHCD produce significant economic and fiscal benefits in Maryland. The provision of affordable homeownership involves very complex financial transactions that employ many people in the financial services and real estate brokerage industries. The provision of affordable rental housing requires construction and rehabilitation of rental units, thereby generating substantial demand for construction-related jobs and intermediate products and services, such as construction supplies and architectural, engineering and financial services. In addition, rental housing affordability is achieved through rental subsidies to the poor and the disabled with the consequence of augmenting their consumption expenditures statewide. Finally, the revitalization of Maryland neighborhoods involves the rehabilitation of community infrastructure as well as financial assistance to small businesses that enable them to re-invest in plant and equipment and expand their operations.

The overall economic impact of DHCD is the sum of direct and secondary (indirect and induced) economic benefits. The direct economic benefits represent the DHCD's direct expenditures in housing and community development projects across the state. The businesses supporting DHCD's principal customers/projects, in turn, must increase their own transactions – produce, restock inventories and transport – to meet the demands of the principal activities. These supplier effects are identified as indirect impacts. The increased worker payrolls associated with these direct and indirect economic activities are then largely spent on household consumer items. This forward spending and the resultant increases in economic activity are identified as induced impacts. All indirect and induced economic impacts of the DHCD programs are estimated using the department's Resource Allocation Model (RAM-DHCD), based on the nationally known IMPLAN input-output system of the University of Minnesota IMPLAN Group. The impact figures are represented by additional expenditures, jobs, and selected state and local tax revenues generated from the direct and secondary economic benefits. The selected taxes include state retail sales tax, state personal income tax, state real property tax, local personal income surtax, and local real property taxes.

### ***SINGLE FAMILY PROGRAMS***

The secondary economic impact of single family programs is based on the estimated real estate transactions (closing costs) involved in purchasing or refinancing homes through the Department's homeownership and mortgage refinance programs. In a 2007 survey of the DHCD mortgage loans, the average closing costs for a typical mortgage loan amounted to 6.3 percent of the purchase price. The secondary economic benefits also include additional economic impacts from construction expenditures related to the Weatherization, Lead Paint Abatement, Indoor Plumbing, Housing Rehabilitation, Group Homes and Federal Home Investment Partnership programs.

## ***MULTIFAMILY PROGRAMS***

The secondary impacts of multifamily programs are estimated using construction expenditures data for multifamily units and additional household expenditures associated with rental housing subsidies which include Rental Allowance Program, Section 8 Project Based Program, and Section 8 Tenant Based Program. Recent studies have shown that Section 8 housing offers residential choice and mobility that improve opportunities for employment. A major problem many welfare recipients face is residing in low income communities that lack easy access to jobs because of a spatial and skills mismatch. These residents have become economically isolated as more firms move to the suburbs and the jobs that remain in the central business districts require high skills. Section 8 housing program enhances recipients' purchasing power, allowing them to find better housing and neighborhoods without any geographic limitation other than affordability.

A study of the first three years of the *Moving to Opportunity* demonstration program in Baltimore City by Center on Budget and Policy Priorities in 2000, titled "*Research Evidence Suggests that Housing Subsidies Can Help Long term Welfare Recipients Find and Retain Jobs*", found that families that were offered housing vouchers to move from public housing in poor neighborhoods to low-poverty communities experienced a 15-percent decline in their rate of welfare receipt, compared with similar families not offered the opportunity to move out of public housing. The impact on the families that actually moved to low-poverty neighborhoods was even greater. Families that moved to low-poverty areas had a welfare receipt rate nearly 25 percent lower than the control group in the first year after moving, increasing to one-third lower by the third year. The study concluded that the reduction in the rate of welfare receipt appeared to be due largely to increases in employment and earnings.

This study assumes that only 70 percent of the funds slated for rental subsidies filter through the state economy by augmenting overall household expenditures. In addition, it was assumed that the rental subsidies influence only 20 percent of the recipients to retain their jobs, while having no discernible impact on the job retention of the remaining 80 percent of recipients.

## ***NEIGHBORHOOD REVITALIZATION PROGRAMS***

The indirect and induced impacts of neighborhood revitalization programs are estimated using capital expenditures corresponding to construction/rehabilitation projects, as well as monies awarded to non-profits for their non-capital (operating) expenditures. The analysis excludes the potential impacts from the expansion of small businesses assisted by these programs. Our impact estimates are, therefore, conservative.

## **SINGLE FAMILY PROGRAMS**

The single family programs focus on helping low to moderate income families or individuals purchase homes by providing affordable interest rate mortgages and down payment assistance. The single family division also helps preserve the housing stock through housing rehabilitation and maintenance assistance and secures housing for group living arrangements.

In FY 2014, the single family programs of DHCD funded a total of \$329.5 million in direct investment in communities throughout Maryland (Table 3). Funding for homeownership programs totaled \$287.9 million or 87.4 percent of all single family expenditures. Funding for energy efficiency programs totaled \$33.9 million or 10.3 percent, while the special needs programs amounted to \$7.7 million, representing the remaining 2.3 percent of the expenditures. Single Family programs awarded 3,532 loans, 5,409 grants, and assisted 7,256 families with homeownership as well as rehabilitation and maintenance of homes. The Maryland Mortgage Program along with housing programs for individuals with disabilities helped 1,593 low-to-moderate income families become homeowners in FY 2014.

Single family investments in Maryland amounted to an average of \$156 per household in FY 2014, ranging from a low of \$29 in Garrett County to a high of \$540 in Charles County. These investments resulted in 745 direct full-time equivalent jobs, \$11.2 million in direct wages and salaries, and about \$664,200 in selected direct State and local tax receipts (Table 4). The secondary impacts of single family investments, or the economic spin-off, include \$35.1 million in expenditures, 246 jobs, \$10.6 million in wages and salaries, and about \$671,100 in State and local tax revenues. The total economic impact of single family programs -- sum of the direct and secondary impacts -- amounted to \$364.7 million in expenditures, 745 jobs, \$21.8 million in wages and salaries, and an estimated \$1.3 million in State and local tax revenues. Every \$1 million of DHCD State funds allocated to single family projects generated a total of 16 full-time equivalent jobs throughout Maryland. The single family's total return on investment amounted to \$8.00 in total economic impact per dollar of the DHCD State funds.

**TABLE 3**  
**SINGLE FAMILY INVESTMENTS**  
**FY 2014**

<b>Jurisdiction</b>	<b>Home Ownership</b>	<b>Special Needs Programs</b>	<b>Energy Efficiency Programs</b>	<b>Total Investment</b>	<b>Investment Per Household</b>	<b>Number of Loans</b>	<b>Number of Grants</b>	<b>Households Assisted</b>
Allegany	\$498,495	\$164,419	\$735,828	\$1,398,742	\$49	22	120	136
Anne Arundel	\$33,837,063	\$1,216,430	\$1,966,678	\$37,020,171	\$198	341	475	1,042
Baltimore	\$40,837,220	\$248,709	\$3,631,953	\$44,717,882	\$143	494	757	1,320
Baltimore City	\$48,263,592	\$1,725,665	\$8,557,178	\$58,546,435	\$232	755	1,458	2,424
Calvert	\$958,510	\$9,930	\$322,143	\$1,290,583	\$43	12	41	48
Caroline	\$625,704	\$67,486	\$379,792	\$1,072,982	\$87	12	32	40
Carroll	\$3,422,662	\$63,098	\$786,299	\$4,272,059	\$72	34	165	186
Cecil	\$2,861,813	\$32,465	\$1,298,378	\$4,192,656	\$115	32	186	203
Charles	\$25,298,920	\$389,180	\$630,324	\$26,318,424	\$540	240	73	197
Dorchester	\$379,914	\$325,020	\$442,659	\$1,147,593	\$86	14	36	47
Frederick	\$13,809,669	\$120,274	\$2,295,130	\$16,225,073	\$200	186	159	290
Garrett	\$0	\$0	\$326,013	\$326,013	\$29	0	75	75
Harford	\$19,520,065	\$0	\$1,720,158	\$21,240,223	\$242	215	216	324
Howard	\$5,804,413	\$0	\$721,253	\$6,525,666	\$65	48	132	156
Kent	\$377,805	\$217,341	\$141,533	\$736,679	\$91	8	14	29
Montgomery	\$9,926,756	\$70,000	\$2,863,266	\$12,860,022	\$36	140	544	693
Prince George's	\$59,506,404	\$49,517	\$2,489,257	\$62,045,178	\$211	582	384	685
Queen Anne's	\$1,504,460	\$0	\$441,027	\$1,945,487	\$109	9	39	46
Somerset	\$216,403	\$2,002,635	\$334,008	\$2,553,046	\$289	37	28	183
St. Mary's	\$4,112,877	\$76,580	\$683,649	\$4,873,106	\$135	37	175	221
Talbot	\$401,196	\$9,444	\$76,024	\$486,664	\$32	5	6	9
Washington	\$11,859,615	\$57,835	\$520,432	\$12,437,882	\$227	177	74	168
Wicomico	\$3,353,220	\$246,269	\$2,277,031	\$5,876,520	\$164	120	196	290
Worcester	\$548,025	\$532,740	\$259,988	\$1,340,753	\$64	12	24	33
Multi-Jurisdiction	\$0	\$80,000	\$0	\$80,000	\$0	0	0	4
<b>Maryland</b>	<b>\$287,924,801</b>	<b>\$7,705,037</b>	<b>\$33,900,000</b>	<b>\$329,529,838</b>	<b>\$156</b>	<b>3,532</b>	<b>5,409</b>	<b>8,849</b>

Source: Maryland Department of Housing and Community Development

**TABLE 4**  
**ECONOMIC IMPACT OF DHCD SINGLE FAMILY PROGRAMS**  
**FY 2014**

<b>Impact Category</b>	<b>Homeownership Programs</b>		<b>Special Needs Housing</b>		<b>Energy Efficiency Program</b>		<b>All Single Family Programs</b>	
	<b>Direct</b>	<b>Total</b>	<b>Direct</b>	<b>Total</b>	<b>Direct</b>	<b>Total</b>	<b>Direct</b>	<b>Total</b>
Expenditures (\$millions)	\$287.9	\$295.2	\$7.7	\$11.2	\$33.9	\$58.1	\$329.5	\$364.7
Wages and Salaries (\$millions)	\$2.4	\$4.6	\$1.3	\$2.4	\$7.4	\$14.78	\$11.2	\$21.8
Employment (FTE Jobs)	133	183	43	68	323	494	499	745
<i>State Taxes (\$thousands)</i>	\$109.4	\$198.3	\$61.6	\$291.5	\$320.0	\$478.23	\$491.1	\$968.0
State Retail Sales Tax	\$58.3	\$85.2	\$28.5	\$42.1	\$205.4	\$299.20	\$292.2	\$426.5
State Personal Income Tax	\$49.2	\$111.1	\$33.1	\$249.4	\$114.7	\$179.03	\$197.0	\$539.5
State Real Property Tax Receipts	\$1.9	\$1.9	\$0.0	\$0.0	\$0.0	\$0.00	\$1.9	\$1.9
<i>Local Taxes (\$thousands)</i>	\$58.4	\$97.3	\$22.4	\$42.0	\$92.3	\$228.05	\$173.1	\$367.4
Local Personal Income Surtax	\$37.4	\$76.3	\$22.4	\$42.0	\$92.3	\$228.05	\$152.1	\$346.3
Local Real Property Tax Receipts	\$21.0	\$21.0	\$0.0	\$0.0	\$0.0	\$0.00	\$21.0	\$21.0
<i>State and Local Taxes (\$thousands)</i>	\$167.8	\$295.6	\$84.1	\$333.5	\$412.3	\$706.27	\$664.2	\$1,335.3
Economic Impact per \$1 of State Funds	\$19.3	\$19.8	\$2.4	\$3.4	\$7.2	\$8.0	\$7.2	\$8.0

Source: Maryland Department of Housing and Community Development

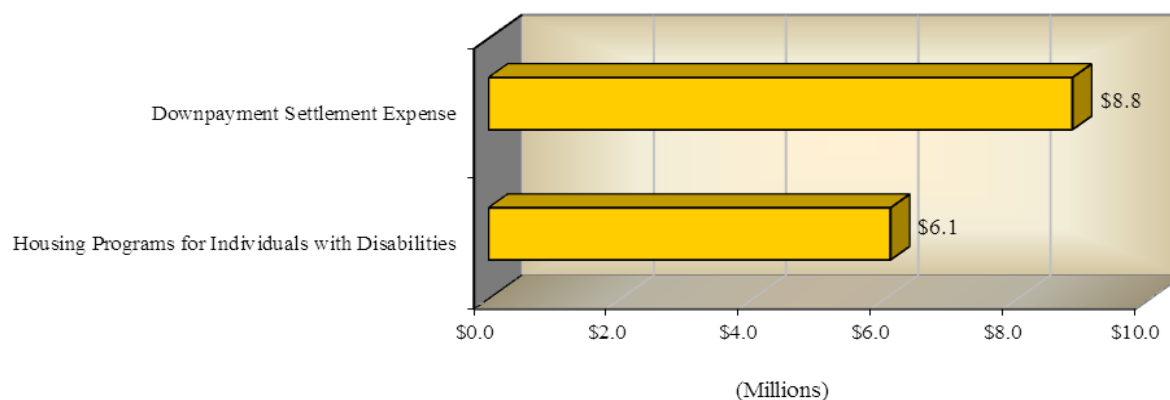
## **HOMEOWNERSHIP PROGRAMS**

The single family's signature homeownership program, known as Maryland Mortgage Program (MMP) targets first-time homebuyers by offering a low-interest 30 year fixed-rate mortgage loan. For nearly 30 years, MMP has provided Maryland families with reliable and flexible mortgage loans. The program is administered by DHCD's Community Development Administration and is funded by private capital raised through the sale of mortgage-backed securities, as well as DHCD's ability to issue mortgage revenue bonds. Program loans are originated through a network of almost 60 private lending institutions across the State, enabling potential homebuyers to receive MMP loans through their local banks.

In response to rising down payment and closing costs, which are often the greatest barrier to homeownership, MMP also provides an assortment of down payment and closing cost assistance programs. Program borrowers can receive this assistance in the form of zero percent deferred loans through programs like the *Down payment and Settlement Expense Loan Program* (DSELP) program. As an alternative to the loan options, MMP also offers down payment and closing cost assistance in the form of premium bond funded grants of up to 3 percent of the loan amount.

The Maryland Mortgage Program along with housing programs for individuals with disabilities helped 1,608 low-to-moderate income families become homeowners in FY 2014. The DHCD investment in homeownership programs totaled \$287.9 million in FY 2014 (Table 5). The investment included \$273.0 million in mortgage loans, \$8.8 million in DSELP and \$6.1 million for the Housing Programs for Individuals with Disabilities (Chart 1). Table 5 shows the distribution of homeownership-related expenditures in all Maryland jurisdictions that received funding in FY 2014.

**CHART 1**  
**INVESTMENT IN HOMEOWNERSHIP PROGRAMS (\$MILLIONS)**  
**FY 2014**



*Note: Excludes MMP loans and leveraged funds*

*Source: Maryland Department of Housing and Community Development*



**TABLE 5**  
**SINGLE FAMILY HOMEOWNERSHIP PROGRAMS**  
**FY 2014**

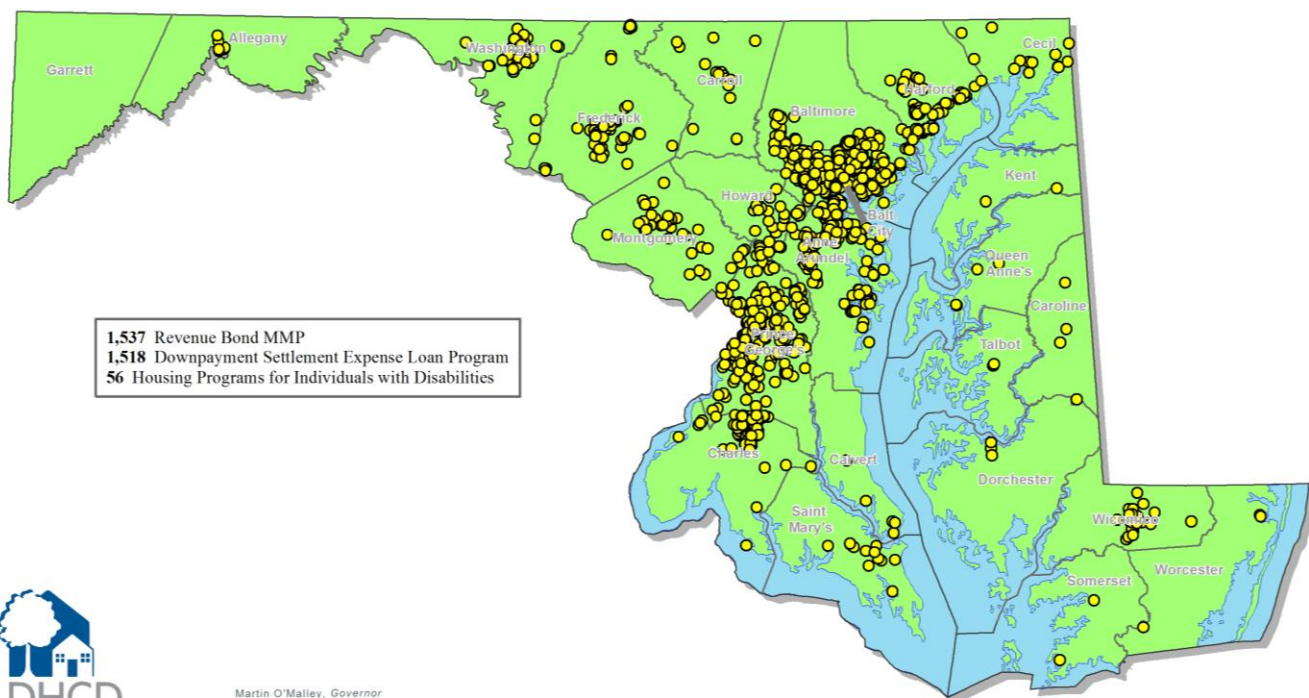
<b>Jurisdiction</b>	<b>Maryland Mortgage Program</b>	<b>Down Payment Settlement Expense Program</b>	<b>Programs for Individuals with Disability</b>	<b>All Programs</b>
Allegany	\$467,245	\$31,250	\$0	\$498,495
Anne Arundel	\$31,187,302	\$827,000	\$1,822,761	\$33,837,063
Baltimore	\$39,092,524	\$1,260,723	\$483,973	\$40,837,220
Baltimore City	\$45,419,832	\$2,031,584	\$812,176	\$48,263,592
Calvert	\$928,510	\$30,000	\$0	\$958,510
Caroline	\$604,204	\$21,500	\$0	\$625,704
Carroll	\$2,934,948	\$94,000	\$393,714	\$3,422,662
Cecil	\$2,765,313	\$96,500	\$0	\$2,861,813
Charles	\$24,427,920	\$721,500	\$149,500	\$25,298,920
Dorchester	\$361,414	\$18,500	\$0	\$379,914
Frederick	\$12,682,754	\$345,000	\$781,915	\$13,809,669
Garrett	\$0	\$0	\$0	\$0
Harford	\$18,779,807	\$613,905	\$126,353	\$19,520,065
Howard	\$5,669,413	\$135,000	\$0	\$5,804,413
Kent	\$365,305	\$12,500	\$0	\$377,805
Montgomery	\$9,427,390	\$240,000	\$259,366	\$9,926,756
Prince George's	\$57,338,454	\$1,591,569	\$576,381	\$59,506,404
Queen Anne's	\$1,105,673	\$25,000	\$373,787	\$1,504,460
Somerset	\$210,203	\$6,200	\$0	\$216,403
St. Mary's	\$3,789,677	\$110,000	\$213,200	\$4,112,877
Talbot	\$391,196	\$10,000	\$0	\$401,196
Washington	\$11,390,195	\$469,420	\$0	\$11,859,615
Wicomico	\$3,142,433	\$124,150	\$86,637	\$3,353,220
Worcester	\$533,025	\$15,000	\$0	\$548,025
Multi-Jurisdiction	\$0	\$0	\$0	\$0
<b>Maryland</b>	<b>\$273,014,737</b>	<b>\$8,830,301</b>	<b>\$6,079,763</b>	<b>\$287,924,801</b>

Source: Maryland Department of Housing and Community Development

# Map 1

## Single Family Homeownership Programs

Number of Loans  
FY 2014



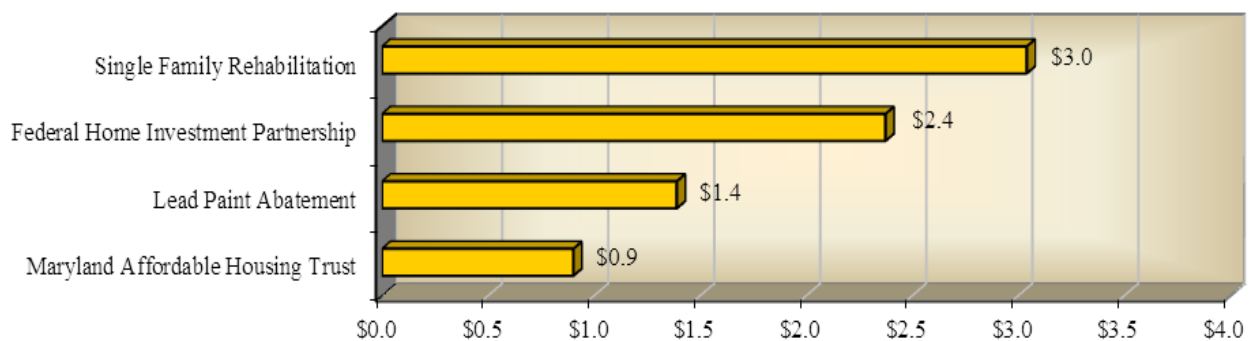
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## **SPECIAL NEEDS HOUSING PROGRAMS**

In FY 2014, DHCD invested a total of \$7.7 million in special needs housing programs. The investments included \$3.0 million in *Single Family Housing Rehabilitation Program*, \$2.4 million in *Federal Home Investment Partnership Program*, \$1.4 million in *Lead Paint Abatement Program* and \$901,793 in *Maryland Affordable Housing Trust* and (Chart 2). Table 6 and Figure 2 show the distribution of rehabilitation expenditures by type of programs in all Maryland jurisdictions that received funding in FY 2014.

**CHART 2**  
**INVESTMENT IN SPECIAL NEEDS HOUSING PROGRAMS (\$MILLIONS)**  
**FY 2014**



**TABLE 6**  
**SINGLE FAMILY SPECIAL NEEDS HOUSING**  
**FY 2014**

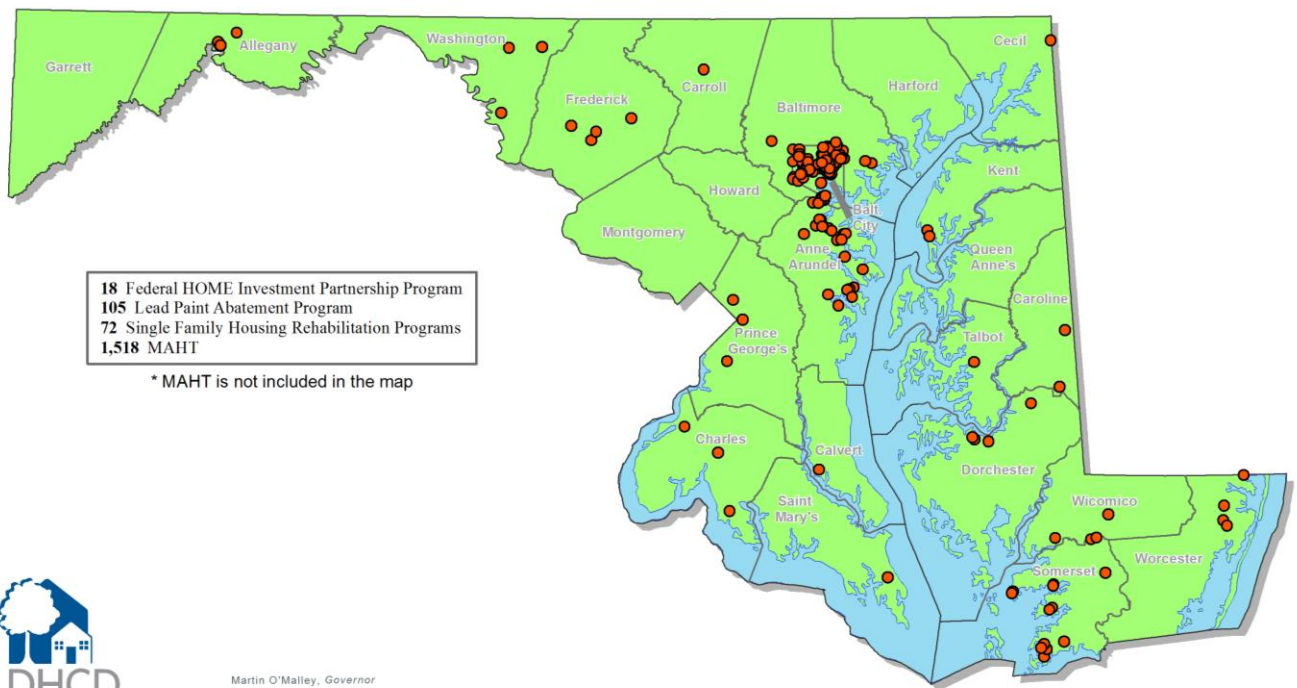
<b>Jurisdiction</b>	<b>Housing Rehabilitation Program</b>	<b>Federal Home Investment Partnership Program</b>	<b>Lead Paint Abatement Program</b>	<b>Maryland Affordable Housing Trust</b>	<b>All Programs</b>
Allegany	\$116,296	\$0	\$48,123		\$164,419
Anne Arundel	\$846,850	\$0	\$284,580	\$85,000	\$1,216,430
Baltimore	\$126,709	\$0	\$0	\$122,000	\$248,709
Baltimore City	\$296,739	\$33,085	\$1,002,818	\$393,023	\$1,725,665
Calvert	\$9,930	\$0	\$0	\$0	\$9,930
Caroline	\$67,486	\$0	\$0	\$0	\$67,486
Carroll	\$54,408	\$0	\$0	\$8,690	\$63,098
Cecil	\$32,465	\$0	\$0	\$0	\$32,465
Charles	\$95,995	\$293,185	\$0	\$0	\$389,180
Dorchester	\$120,981	\$204,039	\$0	\$0	\$325,020
Frederick	\$92,274	\$0	\$0	\$28,000	\$120,274
Garrett	\$0	\$0	\$0	\$0	\$0
Harford	\$0	\$0	\$0	\$0	\$0
Howard	\$0	\$0	\$0	\$0	\$0
Kent	\$50,633	\$153,208	\$0	\$13,500	\$217,341
Montgomery	\$0	\$0	\$0	\$70,000	\$70,000
Prince George's	\$49,517	\$0	\$0	\$0	\$49,517
Queen Anne's	\$0	\$0	\$0	\$0	\$0
Somerset	\$1,041,784	\$935,851	\$0	\$25,000	\$2,002,635
St. Mary's	\$10,000	\$0	\$0	\$66,580	\$76,580
Talbot	\$0	\$9,444	\$0	\$0	\$9,444
Washington	\$18,777	\$0	\$29,058	\$10,000	\$57,835
Wicomico	\$0	\$221,269	\$25,000	\$0	\$246,269
Worcester	\$9,046	\$523,694	\$0	\$0	\$532,740
Multi-Jurisdiction	\$0	\$0	\$0	\$80,000	\$80,000
<b>Maryland</b>	<b>\$3,039,890</b>	<b>\$2,373,775</b>	<b>\$1,389,579</b>	<b>\$901,793</b>	<b>\$7,705,037</b>

Source: Maryland Department of Housing and Community Development

## Map 2

### Single Family Special Needs Programs

Distribution of Loan & Grant Awards  
FY 2014



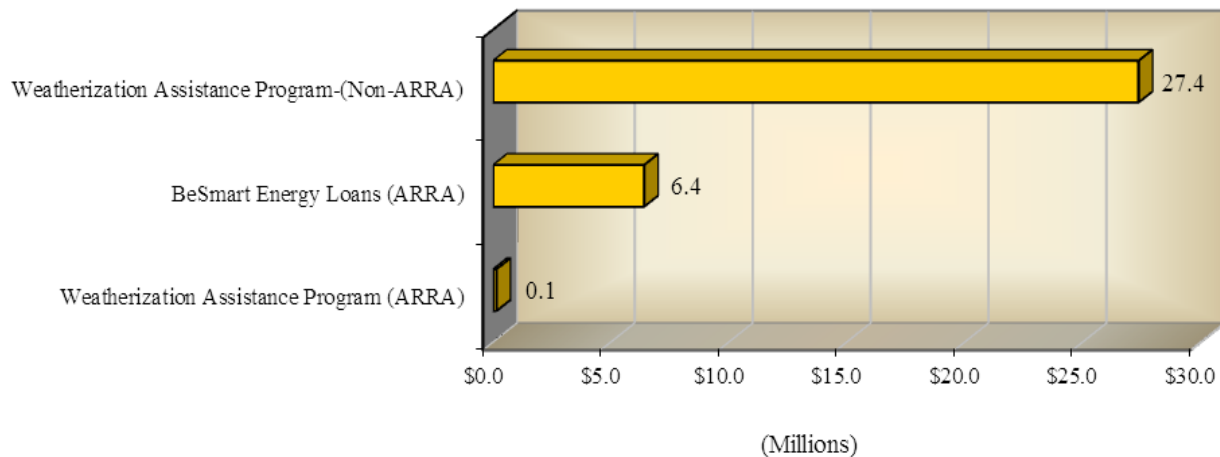
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### **ENERGY EFFICIENCY PROGRAMS**

In FY 2014, DHCD invested a total of \$33.9 million in energy efficiency programs including a total of \$33,515 in leveraged funds. Direct investments included \$27.5 million in *Weatherization Assistance Programs* (ARRA and non-ARRA) for eligible low-income households through the installation of energy conservation materials in their dwelling units to help reduce both the consumption of energy and the cost of maintenance and \$6.4 million for the *BeSmart Loan Program* used for HVAC systems, insulation, windows, draft stopping and duct sealing, appliances and fixtures, and water heating. Table 7 and Chart 3 show the distribution of rehabilitation expenditures by type of programs in all Maryland jurisdictions that received funding in FY 2014.

**CHART 3**  
**INVESTMENT IN ENERGY EFFICIENCY HOUSING PROGRAMS (\$MILLIONS)**  
**FY 2014**

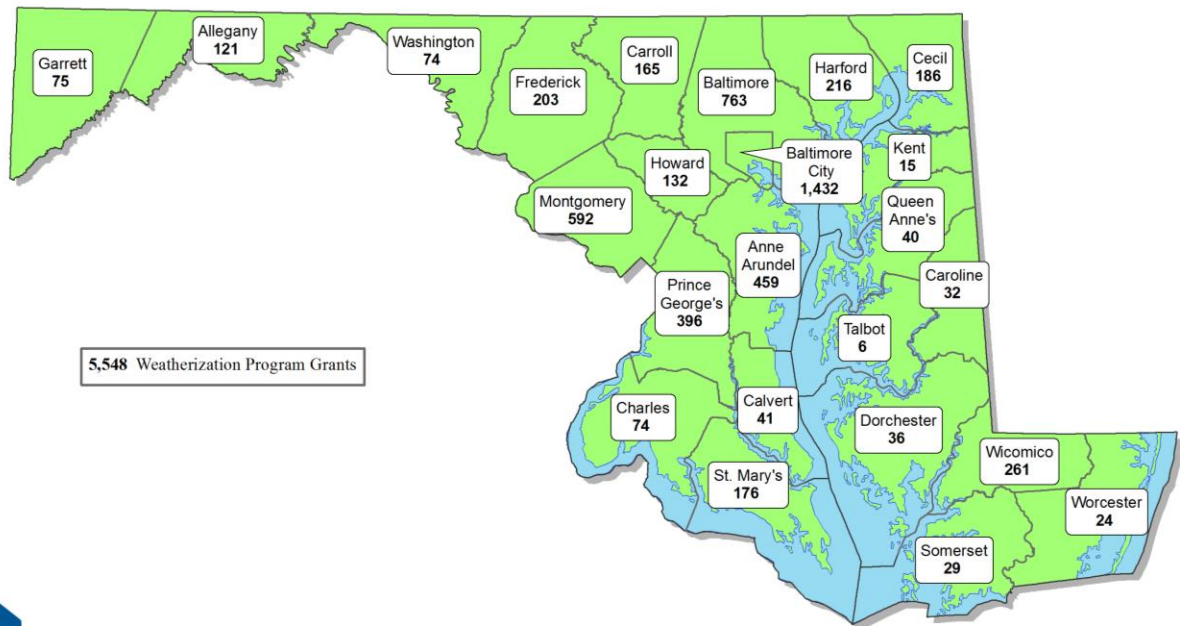


**TABLE 7**  
**SINGLE FAMILY ENERGY EFFICIENCY PROGRAMS**  
**FY 2014**

<b>Jurisdiction</b>	<b>Weatherization Assistance Programs/Empower (Non-ARRA)</b>	<b>BeSmart Energy Assistance Programs</b>	<b>Weatherization Assistance Programs (ARRA)</b>	<b>All Programs</b>
Allegany	\$703,457	\$32,371	\$0	\$735,828
Anne Arundel	\$1,948,332	\$18,346	\$0	\$1,966,678
Baltimore	\$3,536,929	\$95,024	\$0	\$3,631,953
Baltimore City	\$5,819,145	\$2,598,379	\$139,654	\$8,557,178
Calvert	\$322,143	\$0	\$0	\$322,143
Caroline	\$379,792	\$0	\$0	\$379,792
Carroll	\$786,299	\$0	\$0	\$786,299
Cecil	\$1,298,378	\$0	\$0	\$1,298,378
Charles	\$606,946	\$23,378	\$0	\$630,324
Dorchester	\$442,659	\$0	\$0	\$442,659
Frederick	\$680,423	\$1,614,707	\$0	\$2,295,130
Garrett	\$326,013	\$0	\$0	\$326,013
Harford	\$1,720,158	\$0	\$0	\$1,720,158
Howard	\$721,253	\$0	\$0	\$721,253
Kent	\$137,300	\$4,233	\$0	\$141,533
Montgomery	\$2,026,915	\$836,351	\$0	\$2,863,266
Prince George's	\$2,347,345	\$141,912	\$0	\$2,489,257
Queen Anne's	\$428,505	\$12,522	\$0	\$441,027
Somerset	\$315,829	\$18,179	\$0	\$334,008
St. Mary's	\$666,845	\$16,804	\$0	\$683,649
Talbot	\$76,024	\$0	\$0	\$76,024
Washington	\$508,433	\$11,999	\$0	\$520,432
Wicomico	\$1,302,121	\$974,910	\$0	\$2,277,031
Worcester	\$259,988	\$0	\$0	\$259,988
Multi-Jurisdiction	\$0		\$0	\$0
<b>Maryland</b>	<b>\$27,361,231</b>	<b>\$6,399,115</b>	<b>\$139,654</b>	<b>\$33,900,000</b>

Source: Maryland Department of Housing and Community Development

Map 3  
Single Family Weatherization Programs  
Number of Grants  
FY 2014



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## **MULTIFAMILY PROGRAMS**

The DHCD's multifamily programs provide financing for the construction and rehabilitation of multifamily rental housing units for low income families, seniors and individuals with disabilities. The multifamily bond program issues tax-exempt and taxable mortgage revenue bonds to finance the acquisition, rehabilitation or construction of affordable multifamily rental housing in priority funding areas. Tax-exempt and taxable bonds and notes provide below-market and market rate construction and permanent financing. Taxable bonds provide market rate construction and permanent financing to leverage federal Low-Income Housing Tax Credits, and to finance projects and activities which are ineligible for tax-exempt bonds.

In addition to financing and rehabilitation, the multifamily programs provide support to low income families with monthly rent assistance through the Rental Assistance Program and the Section 8 Housing Choice Voucher program. The multifamily division also administers project-based Section 8 contracts in Maryland. The administration of these contracts include review and inspection of records on the project site to ensure compliance with tenant income restrictions and other HUD record keeping requirements, review and approval of monthly payments to landlords, renewal or termination of expiring contracts, and rent adjustments.

In FY 2014, the multifamily programs of DHCD funded a total of \$692.7 million in direct investment in communities throughout Maryland (Table 8). Multifamily investments in Maryland amounted to an average of \$329 per household, ranging from a low of below \$20 in Queen Anne's and Calvert counties to a high of \$1,620 in Cecil County.

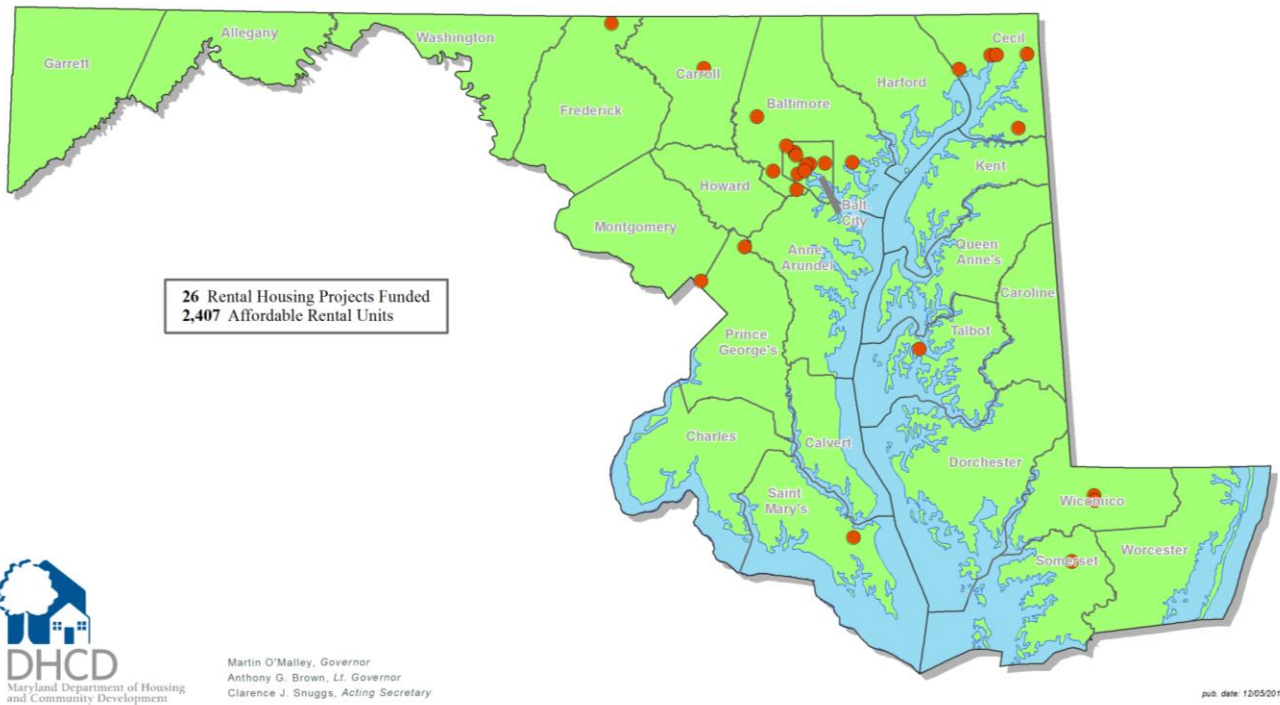
Funding for rental housing production and rehabilitation programs totaled \$484.8 million or 70.0 percent of the multifamily funding for all programs. The latter included \$179.4 million in direct DHCD funding as well as \$305.4 million in leveraged funds. Funding for rental services programs amounted to \$207.9 million, representing the remaining 30.0 percent of total expenditures. In FY 2014, the multifamily programs provided a total of 2,407 affordable housing units and subsidized 26,786 rental units (Map 4).

**TABLE 8**  
**MULTIFAMILY PROGRAM OUTCOMES BY COUNTY**  
**FY 2014**

Jurisdiction	Rental Housing Production & Rehab			Rental Services	Total Funds	Investment per Household	Affordable Units	Subsidized Rental Units
	Direct	Leveraged	Total					
Allegany	\$0	\$0	\$0	\$5,259,401	\$5,259,401	\$186	0	1,108
Anne Arundel	\$0	\$0	\$0	\$10,756,361	\$10,756,361	\$57	0	1,173
Baltimore	\$56,572,811	\$107,575,235	\$164,148,046	\$12,362,664	\$176,510,710	\$564	765	1,935
Baltimore City	\$22,471,836	\$103,047,904	\$125,519,740	\$58,557,715	\$184,077,455	\$728	640	7,638
Calvert	\$0	\$0	\$0	\$547,129	\$547,129	\$18	0	90
Caroline	\$1,215,354	\$0	\$1,215,354	\$2,188,255	\$3,403,609	\$275	0	363
Carroll	\$3,701,895	\$11,099,282	\$14,801,177	\$2,562,944	\$17,364,121	\$294	98	395
Cecil	\$20,986,254	\$36,562,191	\$57,548,445	\$1,322,070	\$58,870,515	\$1,620	261	187
Charles	\$0	\$0	\$0	\$7,047,665	\$7,047,665	\$145	0	680
Dorchester	\$0	\$0	\$0	\$4,214,309	\$4,214,309	\$318	0	580
Frederick	\$8,053,915	\$6,216,449	\$14,270,364	\$9,448,692	\$23,719,056	\$292	43	1002
Garrett	\$0	\$0	\$0	\$1,238,525	\$1,238,525	\$108	0	272
Harford	\$0	\$0	\$0	\$11,040,554	\$11,040,554	\$126	0	1,389
Howard	\$0	\$0	\$0	\$9,503,798	\$9,503,798	\$95	0	1,135
Kent	\$0	\$0	\$0	\$1,249,122	\$1,249,122	\$155	0	195
Montgomery	\$13,853,558	\$9,392,213	\$23,245,771	\$32,496,022	\$55,741,793	\$158	135	3,191
Prince George's	\$9,877,587	\$3,491,565	\$13,369,152	\$20,905,424	\$34,274,575	\$117	105	2,788
Queen Anne's	\$0	\$0	\$0	\$238,499	\$238,499	\$13	0	68
Somerset	\$1,806,757	\$4,019,320	\$5,826,077	\$1,239,242	\$7,065,319	\$800	36	182
St. Mary's	\$28,591,775	\$3,699,423	\$32,291,198	\$1,648,144	\$33,939,342	\$939	128	262
Talbot	\$7,196,024	\$2,148,397	\$9,344,421	\$731,892	\$10,076,313	\$657	40	122
Washington	\$0	\$0	\$0	\$3,853,649	\$3,853,649	\$70	0	582
Wicomico	\$5,098,533	\$18,161,705	\$23,260,238	\$7,247,210	\$30,507,448	\$851	156	1,055
Worcester	\$0	\$0	\$0	\$2,111,839	\$2,111,839	\$101	0	380
Multi-Jurisdiction	\$0	\$0	\$0	\$108,940	\$108,940	\$0	0	15
<b>Maryland</b>	<b>\$179,426,299</b>	<b>\$305,413,684</b>	<b>\$484,839,983</b>	<b>\$207,880,064</b>	<b>\$692,720,048</b>	<b>\$329</b>	<b>2,407</b>	<b>26,787</b>

Source: Maryland Department of Housing and Community Development

# Map 4 Multifamily Rental Housing Production & Rehabilitation Programs Projects Funded FY 2014



In FY 2014, the multifamily programs of DHCD generated a total of \$692.7 million in direct investment in communities throughout Maryland (Table 9). These investments resulted in 8,951 direct full-time equivalent jobs, approximately \$206.0 million in direct wages and salaries, and about \$18.1 million in selected direct State and local tax receipts. The secondary impacts of multifamily investments, or the economic spin-off, include \$387.7 million in expenditures, 2,457 jobs, about \$165.1 million in wages and salaries, and about \$7.2 million in State and local tax revenues. The total economic impact of multifamily programs in FY 2014 -- sum of the direct and secondary impacts -- amounted to \$1,080.4 million in expenditures, 11,408 jobs, about \$371.1 million in wages and salaries, and \$25.4 million in State and local tax revenues. Every \$1 million of DHCD State funds allocated to rental housing projects generated a total of 264 full-time equivalent jobs throughout Maryland. The multifamily program's total return on investment amounted to \$25.0 in total economic impact per dollar of the DHCD State funds.

**TABLE 9**  
**ECONOMIC IMPACT OF DHCD RENTAL HOUSING AND RENTAL ASSISTANCE PROGRAMS**  
**FY 2014**

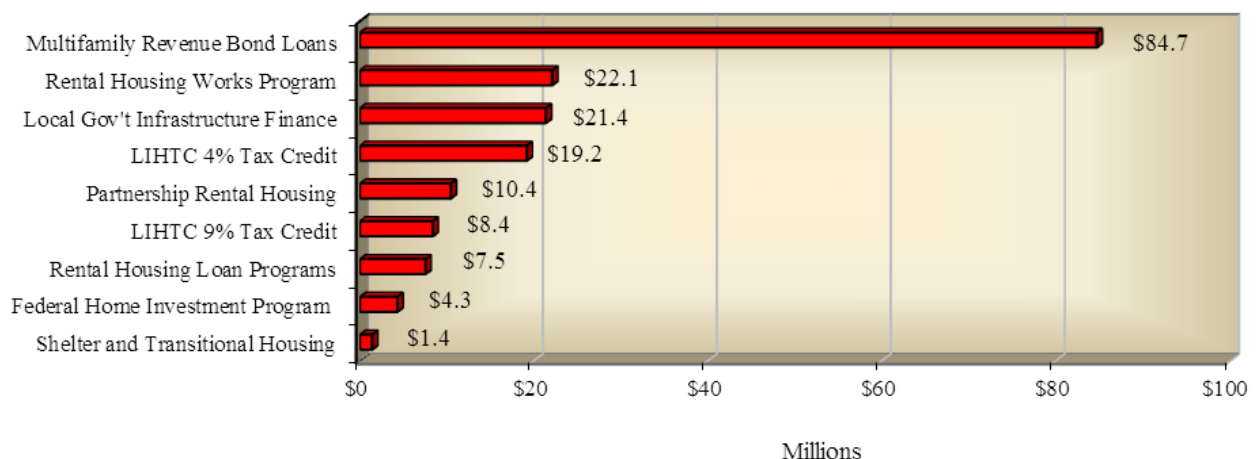
Impact Category	Rental Housing		Rental Assistance		All Rental Programs	
	Direct	Total	Direct	Total	Direct	Total
Expenditures (\$millions)	\$484.8	\$776.25	\$207.9	\$304.20	\$692.7	\$1,080.4
Wages and Salaries (\$millions)	\$92.0	\$182.1	\$113.9	\$188.9	\$206.0	\$371.1
Employment (FTE Jobs)	2,974	5,039	5,977	6,369	8,951	11,408
<i>State Taxes (\$thousands)</i>	\$5,482.9	\$9,222.7	\$4,378.5	\$5,683.7	\$9,861.4	\$14,906.4
State Retail Sales Tax	\$2,659.1	\$3,790.8	\$2,259.2	\$2,617.3	\$4,918.3	\$6,408.0
State Personal Income Tax	\$2,370.4	\$4,978.5	\$2,118.9	\$3,066.1	\$4,489.3	\$8,044.6
State Real Property Tax Receipts	\$453.4	\$453.4	\$0.4	\$0.4	\$453.8	\$453.8
<i>Local Taxes (\$thousands)</i>	\$6,535.5	\$8,172.7	\$1,709.2	\$2,286.3	\$8,244.7	\$10,459.0
Local Personal Income Surtax	\$1,580.2	\$3,217.4	\$1,705.2	\$2,282.3	\$3,285.4	\$5,499.7
Local Real Property Tax Receipts	\$4,955.3	\$4,955.3	\$4.0	\$4.0	\$4,959.3	\$4,959.3
<i>State and Local Taxes (\$thousands)</i>	\$12,018.3	\$17,395.4	\$6,087.7	\$7,970.0	\$18,106.1	\$25,365.4
Economic Impact per \$1 of State Funds	\$11.7	\$18.7	\$122.3	\$178.9	\$16.0	\$25.0

Source: Maryland Department of Housing and Community Development

## **RENTAL HOUSING PRODUCTION AND REHABILITATION PROGRAMS**

The DHCD expenditures in financing new multifamily construction and rehabilitation programs totaled \$179.4 million in FY 2014. The DHCD direct expenditures leveraged an additional \$305.4 million in private and federal funds. Thus, total DHCD investment in housing and rehabilitation programs amounted to \$484.8 million in FY 2014. As shown in Chart 4 and Table 10, these programs were funded through the *Revenue Bond Loan Program* (\$84.7 million or 47.0 percent of the total), *Rental Housing Works Programs* (\$22.1 million or 12.0 percent of the total) and *Local Government Infrastructure Finance Program* (\$21.4 million or 12.0 percent of the total) and the. Other programs were funded through the *Federal Low Income Housing Tax Credits* including \$19.2 million for the 4% program (11.0 percent of total); \$8.4 million for the 9% program (5.0 percent of the total); *Partnership Rental Housing Program* (\$10.4 million or 6.0 percent of the total); *Rental Housing Loan Program* (\$7.5 million or 4.0 percent); *Federal HOME Investment Partnership Program* (\$4.4 million or 2.0 percent of the total) and the *Shelter and Transitional Housing Program* (\$1.4 million or 1.0 percent of the total). The multifamily programs financed the construction and rehabilitation of 2,407 affordable rental housing units including transitional or homeless units. Table 8 summarizes total DHCD investment, including leveraged funds by program, in all Maryland jurisdictions that received funding in FY 2014.

**CHART 4**  
**DIRECT FUNDING OF RENTAL HOUSING PRODUCTION**  
**AND REHABILITATION PROGRAMS (\$MILLIONS)**  
**FY 2014**



**TABLE 10**  
**RENTAL PRODUCTION AND REHABILITATION PROGRAMS**  
**FY 2014**

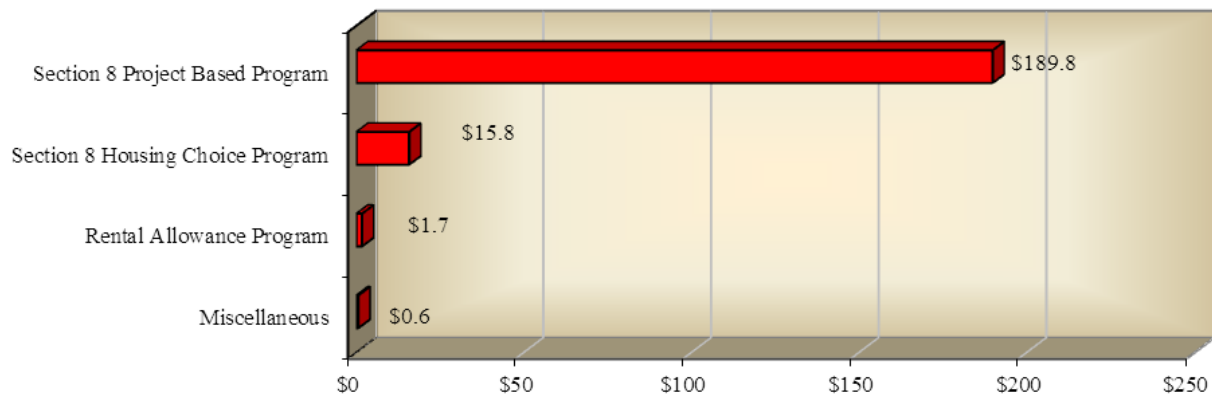
<b>Jurisdiction</b>	<b>Multifamily Revenue Bond Program</b>	<b>Rental Housing Works Program</b>	<b>Local Government Infrastructure Finance Program</b>	<b>Low Income Housing Tax Credit Program (4%)</b>	<b>Partnership Rental Housing Loan Program</b>	<b>Low Income Housing Tax Credit Program (9%)</b>	<b>Rental Housing Loan Program</b>	<b>Federal Home Investment Partnership Program</b>	<b>Shelter and Transitional Housing Program</b>	<b>Total Investment*</b>
Allegany	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Anne Arundel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Baltimore	\$38,640,000	\$1,650,000	\$0	\$13,641,787	\$0	\$2,141,024	\$500,000	\$0	\$0	\$164,148,046
Baltimore City	\$5,455,000	\$7,268,653	\$0	\$2,900,420	\$1,925,000	\$2,009,061	\$1,513,702		\$1,400,000	\$125,519,740
Calvert	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Caroline	\$0	\$0	\$1,215,354	\$0	\$0	\$0	\$0	\$0	\$0	\$1,215,354
Carroll	\$0	\$2,500,000	\$0	\$376,895	\$825,000	\$0	\$0	\$0	\$0	\$14,801,177
Cecil	\$7,945,000	\$3,076,000	\$0	\$477,039	\$2,475,000	\$2,566,940	\$2,457,240	\$1,989,035	\$0	\$57,548,445
Charles	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dorchester	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Frederick	\$5,400,000	\$1,500,000	\$0	\$393,049	\$0	\$0	\$760,866	\$0	\$0	\$14,270,364
Garrett	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Harford	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Howard	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Kent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Montgomery	\$10,855,000	\$2,500,000	\$0	\$498,558	\$0	\$0	\$0	\$0	\$0	\$23,245,771
Prince George's	\$4,805,000	\$1,315,155	\$3,501,078	\$256,354	\$0	\$0	\$0	\$0	\$0	\$13,369,152
Queen Anne's	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Somerset	\$0	\$0	\$376,401	\$0	\$0	\$324,746	\$0	\$1,105,610	\$0	\$5,826,077
St. Mary's	\$6,905,000	\$1,500,000	\$16,287,167	\$273,671	\$2,850,000	\$0	\$775,937	\$0	\$0	\$32,291,198
Talbot	\$3,400,000	\$0	\$0	\$208,024	\$2,368,000	\$0	\$0	\$1,220,000	\$0	\$9,344,421
Washington	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Wicomico	\$1,295,000	\$792,000	\$0	\$147,704		\$1,324,429	\$1,539,400	\$0	\$0	\$23,260,238
Worcester	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Multi-Jurisdiction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Maryland</b>	<b>\$84,700,000</b>	<b>\$22,101,808</b>	<b>\$21,380,000</b>	<b>\$19,173,501</b>	<b>\$10,443,000</b>	<b>\$8,366,200</b>	<b>\$7,547,145</b>	<b>\$4,314,645</b>	<b>\$1,400,000</b>	<b>\$484,839,983</b>

\*Total Investment includes \$119.7 million in tax credit raised-up funds and \$185.7 million in leveraged funds  
Source: Maryland Department of Housing and Community Development

## RENTAL ASSISTANCE PROGRAMS

The DHCD rental assistance programs for FY 2014 totaled \$207.9 million. As shown in Chart 5 and Table 11, expenditures related to *Section 8 Performance Based Rental Contract Administration Housing Program* accounted for 91.3 percent of total spending or \$189.8 million. Funding for *Section 8 Housing Choice Voucher Program* amounted to \$15.8 million or 7.6 percent of total spending. The *Rental Allowance Program* funding was \$1.7 million or 0.8 percent of the total. Other rental assistance programs account for the remaining 0.3 percent of total funding. These programs include *Section 8 Moderate Rehabilitation* (\$328,673); *Housing Opportunities for Persons with AIDS* (\$179,998) and *Developmental Disabilities Administration Bridge and Bridge Subsidy Program* (\$98,678). Table 11 shows the distribution of DHCD expenditures in all Maryland jurisdictions that received rental assistance funding in FY 2014.

**CHART 5**  
**DIRECT FUNDING OF RENTAL ASSISTANCE PROGRAMS (\$MILLIONS)**  
**FY 2014**



**Table 11**  
**Rental Assistance Programs**  
**FY 2014**

<b>Jurisdiction</b>	<b>Section 8 Project Based Contract Administration</b>	<b>Section 8 Housing Choice Voucher Program</b>	<b>Rental Allowance Program</b>	<b>Section 8 Moderate Rehabilitation Program</b>	<b>Housing Opportunities for Persons with AIDS Program</b>	<b>Developmental Disabilities Administration Bridge Subsidy Program</b>	<b>All Resources</b>
Allegany	\$2,670,149	\$2,531,618	\$40,000	\$13,646	\$3,988	\$0	\$5,259,401
Anne Arundel	\$10,653,608	\$15,158	\$65,895	\$0	\$0	\$21,700	\$10,756,361
Baltimore	\$12,007,775	\$0	\$354,889	\$0	\$0	\$0	\$12,362,664
Baltimore City	\$58,277,387	\$119,204	\$157,197	\$3,927	\$0	\$0	\$58,557,715
Calvert	\$507,129	\$0	\$40,000	\$0	\$0	\$0	\$547,129
Caroline	\$1,361,633	\$786,622	\$40,000	\$0	\$0	\$0	\$2,188,255
Carroll	\$2,496,268	\$5,724	\$40,000	\$0	\$0	\$20,952	\$2,562,944
Cecil	\$1,282,070	\$0	\$40,000	\$0	\$0	\$0	\$1,322,070
Charles	\$7,007,665	\$0	\$40,000	\$0	\$0	\$0	\$7,047,665
Dorchester	\$2,779,547	\$1,347,344	\$40,000	\$0	\$47,418	\$0	\$4,214,309
Frederick	\$3,922,621	\$5,353,260	\$40,000	\$132,811	\$0	\$0	\$9,448,692
Garrett	\$361,734	\$651,336	\$40,000	\$178,289	\$7,166	\$0	\$1,238,525
Harford	\$11,000,554	\$0	\$40,000	\$0	\$0	\$0	\$11,040,554
Howard	\$9,400,293	\$63,505	\$40,000	\$0	\$0	\$0	\$9,503,798
Kent	\$992,313	\$216,809	\$40,000	\$0	\$0	\$0	\$1,249,122
Montgomery	\$32,242,660	\$79,672	\$173,690	\$0	\$0	\$0	\$32,496,022
Prince George's	\$20,717,095	\$0	\$188,329	\$0	\$0	\$0	\$20,905,424
Queen Anne's	\$198,499	\$0	\$40,000	\$0	\$0	\$0	\$238,499
Somerset	\$755,326	\$439,552	\$40,000	\$0	\$4,364	\$0	\$1,239,242
St. Mary's	\$1,579,124	\$0	\$40,000	\$0	\$29,020	\$0	\$1,648,144
Talbot	\$81,393	\$603,963	\$40,000	\$0	\$6,536	\$0	\$731,892
Washington	\$3,782,197	\$0	\$40,000	\$0	\$31,452	\$0	\$3,853,649
Wicomico	\$4,629,769	\$2,490,729	\$40,000	\$0	\$30,686	\$56,026	\$7,247,210
Worcester	\$1,093,192	\$959,279	\$40,000	\$0	\$19,368	\$0	\$2,111,839
Multi-Jurisdiction	\$0	\$108,940	\$0	\$0	\$0	\$0	\$108,940
<b>Maryland</b>	<b>\$189,800,001</b>	<b>\$15,772,715</b>	<b>\$1,700,000</b>	<b>\$328,673</b>	<b>\$179,998</b>	<b>\$98,678</b>	<b>\$207,880,065</b>

Source: Maryland Department of Housing and Community Development



## NEIGHBORHOOD REVITALIZATION PROGRAMS

The Neighborhood Revitalization programs support activities that protect and improve neighborhood resources, maintain and enhance existing residential and commercial structures, and provide adequate public facilities, infrastructure, and services. One of the key programs, *Community Legacy*, assists urban neighborhoods, suburban communities and small towns that are experiencing decline and disinvestment. The *Community Legacy* provides funding to help these communities develop comprehensive revitalization plans and implement projects targeted at reducing sprawl and enhancing community life for business and residents. The *Community Legacy* projects promote housing rehabilitation, entrepreneurship and business development in areas with established infrastructure. Another important program, *Neighborhood Business Works*, provides gap financing to small businesses for projects which spur development, jobs and economic growth. The flexible gap financing is in the form of below-market interest rate loans to small businesses, and loans and grants to nonprofit organizations locating or expanding in locally designated neighborhood revitalization areas. Another key program under neighborhood revitalization is the Home Owners Preserving Equity (HOPE) initiative which provides responsive solutions for homeowners facing foreclosure. In FY 2014 the foreclosure prevention program provided counseling services to 11,153 homeowners statewide of whom 30.8 percent received positive outcomes including loan refinances and modifications.

In FY 2014, the Neighborhood Revitalization programs of DHCD funded a total of \$48.5 million in direct investment in communities throughout Maryland (Table 12). These investments leveraged an additional \$277.3 million in private funds. As a result, the overall community development investments in Maryland for FY 2014 amounted to \$325.9 million. The Neighborhood Revitalization programs served 400 communities, funded 200 projects and assisted 383 businesses throughout Maryland. Neighborhood Revitalization investments in Maryland amounted to an average of \$155 per household, ranging from a low of less than \$50 in Baltimore, Charles, Montgomery, Queen Anne's and Wicomico counties to a high of \$1,571 in Somerset County.

The Neighborhood Revitalization investments in Maryland resulted in 1,393 direct full-time equivalent jobs, about \$89.7 million in direct wages and salaries, and about \$7.5 million in selected direct State and local tax receipts (Table 13). The secondary impacts from those investments, or the economic spin-off, include \$279.1 million in expenditures, 1,816 jobs, \$85.9 million in payroll, and about \$5.3 million in State and local tax revenues. The total economic impact of Neighborhood Revitalization programs in FY 2014 -- sum of the direct and secondary impacts -- amounted to \$605.0 million in expenditures, 3,209 jobs, \$175.6 million in payroll, and \$12.8 million in State and local tax revenues. Every \$1 million of DHCD State funds allocated to Neighborhood Revitalization projects generated a total of 108 full-time equivalent jobs throughout Maryland. The Neighborhood Revitalization program's total return on investment, or the sum of the direct investment and all associated secondary expenditures per dollar of the DHCD State funds, amounted to \$20.4 in FY 2014.

**TABLE 12**  
**NEIGHBORHOOD REVITALIZATION INVESTMENT**  
**FY 2014**

<b>Jurisdiction</b>	<b>Direct Investment</b>				<b>Program Outcome</b>		
	<b>DHCD Resources</b>	<b>Leveraged Funds</b>	<b>Total</b>	<b>Per Household</b>	<b>Communities Served</b>	<b>Projects Funded</b>	<b>Businesses Served</b>
Allegany	\$2,833,297	\$7,629,971	\$10,463,268	\$370	17	11	17
Anne Arundel	\$983,726	\$8,812,602	\$9,796,328	\$52	12	4	12
Baltimore	\$2,229,646	\$9,018,580	\$11,248,226	\$36	18	10	18
Baltimore City	\$14,091,156	\$84,988,115	\$99,079,271	\$392	101	73	101
Calvert	\$229,650	\$1,574,831	\$1,804,481	\$60	2	1	2
Caroline	\$942,177	\$5,414,402	\$6,356,579	\$514	10	5	10
Carroll	\$1,137,001	\$4,448,968	\$5,585,969	\$95	9	5	9
Cecil	\$1,735,729	\$16,584,948	\$18,320,677	\$504	8	5	8
Charles	\$70,650	\$185,350	\$256,000	\$5	1	0	1
Dorchester	\$1,400,893	\$16,771,267	\$18,172,160	\$1,369	20	10	15
Frederick	\$1,683,475	\$9,363,262	\$11,046,737	\$136	17	8	17
Garrett	\$1,373,700	\$1,335,359	\$2,709,059	\$237	17	6	10
Harford	\$1,223,630	\$6,113,403	\$7,337,033	\$84	14	9	14
Howard	\$477,573	\$6,735,547	\$7,213,120	\$72	5	3	5
Kent	\$728,112	\$1,474,350	\$2,202,462	\$273	6	5	6
Montgomery	\$1,161,969	\$12,610,103	\$13,772,072	\$39	12	3	12
Prince George's	\$5,223,814	\$9,859,142	\$15,082,956	\$51	47	12	47
Queen Anne's	\$274,150	\$242,743	\$516,893	\$29	10	3	5
Somerset	\$1,075,835	\$12,805,508	\$13,881,343	\$1,571	7	5	7
St. Mary's	\$1,079,356	\$1,680,633	\$2,759,989	\$76	5	4	5
Talbot	\$1,374,869	\$4,229,968	\$5,604,837	\$365	9	4	9
Washington	\$2,222,277	\$18,188,463	\$20,410,740	\$372	11	4	11
Wicomico	\$345,058	\$1,162,512	\$1,507,570	\$42	6	1	6
Worcester	\$452,258	\$2,919,958	\$3,372,216	\$162	9	8	9
Multi-Jurisdiction	\$4,191,273	\$33,189,311	\$37,380,584	\$0	27	1	27
<b>Maryland</b>	<b>\$48,541,274</b>	<b>\$277,339,296</b>	<b>\$325,880,570</b>	<b>\$155</b>	<b>400</b>	<b>200</b>	<b>383</b>

Source: Maryland Department of Housing and Community Development

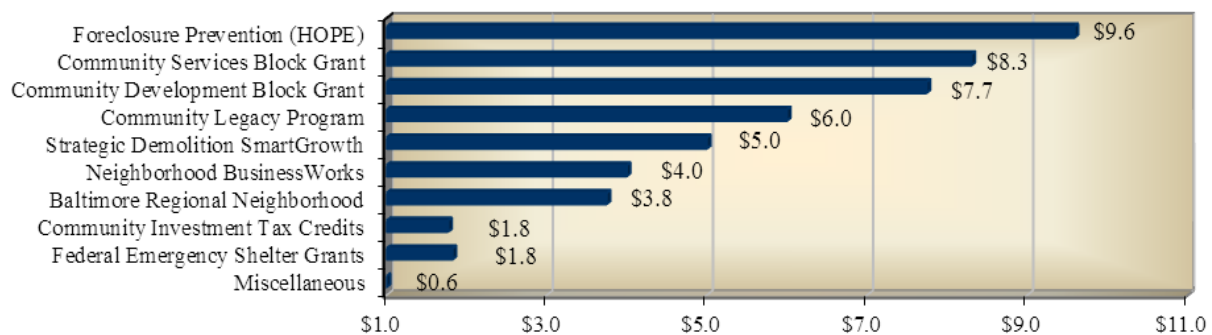
**TABLE 13**  
**ECONOMIC IMPACT OF DHCD NEIGHBORHOOD REVITALIZATION PROGRAMS**  
**FY 2014**

Impact Category	Operating Expenditures		Capital Expenditures		All Expenditures	
	Direct	Total	Direct	Total	Direct	Total
Expenditures (\$millions)	\$184.6	\$362.9	\$141.3	\$241.9	\$325.9	\$605.0
Wages and Salaries (\$millions)	\$46.4	\$100.8	\$43.3	\$74.8	\$89.7	\$175.6
Employment (FTE Jobs)	598	1,746	795	1,463	1,393	3,209
<i>State Taxes (\$thousands)</i>	\$1,997.7	\$4,325.2	\$2,097.2	\$3,451.6	\$4,094.9	\$7,776.8
State Retail Sales Tax	\$548.2	\$1,236.5	\$607.6	\$1,008.1	\$1,155.8	\$2,244.6
State Personal Income Tax	\$1,449.4	\$3,088.6	\$1,331.4	\$2,285.2	\$2,780.8	\$5,373.9
State Real Property Tax Receipts	\$0.0	\$0.0	\$158.2	\$158.2	\$158.2	\$158.2
<i>Local Taxes (\$thousands)</i>	\$883.0	\$1,895.9	\$2,546.4	\$3,135.8	\$3,429.4	\$5,031.8
Local Personal Income Surtax	\$883.0	\$1,895.9	\$817.1	\$1,406.5	\$1,700.1	\$3,302.5
Local Real Property Tax Receipts	\$0.0	\$0.0	\$1,729.3	\$1,729.3	\$1,729.3	\$1,729.3
<i>State and Local Taxes (\$thousands)</i>	\$2,880.7	\$6,221.1	\$4,643.6	\$6,587.4	\$7,524.3	\$12,808.5
Economic Impact per \$1 of State Funds	\$12.2	\$24.0	\$14.2	\$24.3	\$13.0	\$20.4

Source: Maryland Department of Housing and Community Development

Funding of Neighborhood Revitalization programs for FY 2014 totaled \$325.9 million, including \$277.3 million in leveraged funds. As shown in Chart 6 and Table 14, direct funding for the *Foreclosure Prevention Housing Counseling Program* received \$9.6 million or 19.8 percent and *Community Development Block Grant Program* was allocated \$8.3 million or 17.1 percent of total funds while funding for the *Community Services Block Grant Program* amounted to \$7.7 million or 15.9 percent of the DHCD resources followed by the *Community Legacy Program* which captured 12.4 percent or \$6.0 million of direct spending. The *Strategic Demolition and Smart Growth Program* garnered 10.3 percent share of FY 2014 funds or \$5.0 million of direct spending followed by the *Neighborhood BusinessWorks Program* (\$4.0 million or 8.2 percent); *Baltimore Regional Neighborhoods Initiative* (\$3.8 million or 7.7 percent); *State Community Investment Tax Credit Program* (\$1.8 million or 3.8 percent); *Emergency Shelter Grants Program* (\$1.8 million or 3.6 percent) and Funding for all other miscellaneous programs including *Circuit Rider*, the *Neighborhood Housing Services*, and the State General Funds for the *Technical Assistance Programs* totaled \$565,000 or 1.2 percent of the total direct funding. Table 14 shows the distribution of DHCD expenditures in all Maryland jurisdictions that received funding for these programs in FY 2014.

**CHART 6**  
**DISTRIBUTION OF NEIGHBORHOOD REVITALIZATION INVESTMENTS**  
**IN MARYLAND (\$MILLIONS): FY 2014**



*Note: Excludes leveraged funds.*

**TABLE 14**  
**NEIGHBORHOOD REVITALIZATION RESOURCES**  
**FY 2014**

Jurisdiction	Foreclosure Prevention Housing Counseling	DHCD Resources								Leveraged Funds	Total Investment*
		Community Services Block Grant	Community Development Block Grant	Community Legacy Program	Strategic Demolition and Smart Growth Impact Fund	Neighborhood BusinessWorks Program	Baltimore Regional Neighborhood Initiative	Community Investment Tax Credit	Miscellaneous (CR, NHS, TAG)		
Allegany	\$143,131	\$270,909	\$1,320,000	\$410,000	\$500,000	\$0	\$0	\$42,000	\$40,000	\$7,629,971	\$10,463,268
Anne Arundel	\$262,350	\$388,226	\$0	\$150,000	\$0	\$0	\$0	\$90,000	\$0	\$8,812,602	\$9,796,328
Baltimore	\$202,500	\$531,146	\$0	\$100,000	\$0	\$381,000	\$912,000	\$83,000	\$0	\$9,018,580	\$11,248,226
Baltimore City	\$1,700,887	\$2,800,387	\$0	\$1,100,000	\$2,150,000	\$2,375,600	\$2,838,000	\$950,000	\$211,675	\$84,988,115	\$99,079,271
Calvert	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$1,574,831	\$1,804,481
Caroline	\$60,800	\$347,777	\$152,500	\$250,000	\$0	\$0	\$0	\$0	\$0	\$5,414,402	\$6,356,579
Carroll	\$0	\$245,460	\$558,337	\$225,000	\$0	\$0	\$0	\$0	\$0	\$4,448,968	\$5,585,969
Cecil	\$43,944	\$0	\$977,000	\$80,000	\$0	\$500,000	\$0	\$40,000	\$0	\$16,584,948	\$18,320,677
Charles	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$185,350	\$256,000
Dorchester	\$75,800	\$275,835	\$135,000	\$340,000	\$350,000	\$0	\$0	\$75,000	\$93,200	\$16,771,267	\$18,172,160
Frederick	\$186,032	\$313,200	\$394,600	\$280,000	\$350,000	\$0	\$0	\$0	\$16,850	\$9,363,262	\$11,046,737
Garrett	\$25,800	\$0	\$625,000	\$80,000	\$0	\$500,000	\$0	\$0	\$41,000	\$1,335,359	\$2,709,059
Harford	\$95,800	\$247,923	\$0	\$475,000	\$200,000	\$0	\$0	\$125,000	\$0	\$6,113,403	\$7,337,033
Howard	\$0	\$247,923	\$0	\$100,000	\$0	\$0	\$0	\$50,000	\$0	\$6,735,547	\$7,213,120
Kent	\$0	\$0	\$542,000	\$75,000	\$0	\$0	\$0	\$100,000	\$0	\$1,474,350	\$2,202,462
Montgomery	\$623,633	\$452,336	\$0	\$0	\$0	\$6,000	\$0	\$80,000	\$0	\$12,610,103	\$13,772,072
Prince George's	\$2,816,100	\$537,714	\$0	\$1,190,000	\$550,000	\$0	\$0	\$70,000	\$0	\$9,859,142	\$15,082,956
Queen Anne's	\$0	\$0	\$0	\$100,000	\$0	\$35,000	\$0	\$10,000	\$42,000	\$242,743	\$516,893
Somerset	\$0	\$0	\$375,000	\$150,000	\$500,000	\$0	\$0	\$15,000	\$0	\$12,805,508	\$13,881,343
St. Mary's	\$0	\$0	\$800,000	\$175,000	\$0	\$0	\$0	\$25,000	\$0	\$1,680,633	\$2,759,989
Talbot	\$214,800	\$244,639	\$227,780	\$0	\$400,000	\$200,000	\$0	\$0	\$25,275	\$4,229,968	\$5,604,837
Washington	\$89,650	\$270,909	\$1,608,657	\$150,000	\$0	\$0	\$0	\$0	\$0	\$18,188,463	\$20,410,740
Wicomico	\$101,800	\$0	\$0	\$100,000	\$0	\$0	\$0	\$0	\$50,000	\$1,162,512	\$1,507,570
Worcester	\$0	\$0	\$25,000	\$320,000	\$0	\$0	\$0	\$0	\$10,000	\$2,919,958	\$3,372,216
Multi-Jurisdiction	\$2,946,350	\$1,129,923	\$0	\$0	\$0	\$0	\$0	\$15,000	\$35,000	\$33,189,311	\$37,380,584
<b>Maryland</b>	<b>\$9,589,377</b>	<b>\$8,304,307</b>	<b>\$7,740,874</b>	<b>\$6,000,000</b>	<b>\$5,000,000</b>	<b>\$3,997,600</b>	<b>\$3,750,000</b>	<b>\$1,770,000</b>	<b>\$565,000</b>	<b>\$277,339,296</b>	<b>\$325,880,571</b>

*Note: \*Total investment includes \$1.8 million in funding for Emergency Solutions Program*  
*Source: Maryland Department of Housing and Community Development*

## **APPENDIX: DESCRIPTION OF PROGRAMS**

### **SINGLE FAMILY HOMEOWNERSHIP PROGRAMS**

#### ***Maryland Mortgage Program***

The CDA's Maryland Mortgage Program provides low-interest mortgage loans to eligible low and moderate-income homebuyers through private lending institutions throughout the state. The program began in 1980 and is targeted primarily to first-time homebuyers. These resources are funded by tax exempt revenue bonds issued by CDA. The mortgage payments are used to pay off bond issuance.

#### ***Down Payment Assistance Program***

The Down Payment Assistance (DPA) is a program used in conjunction with the CDA Maryland Mortgage Program that offers zero percent deferred loans up to \$8,500 for down payment costs to low/moderate income homebuyers. These resources are funded by the state.

#### ***Housing Programs for Individuals with Disabilities***

The Homeownership for Individuals with Disabilities Program provides low-interest mortgage loans to eligible disabled homebuyers and homebuyers with a disabled son or daughter. Programs include Group Homes, Disabled Borrowers, Special Housing Opportunities Program (SHOP), and Group Homes Financing Program (GHFP). The purpose of the Group Housing Programs is to help individuals, qualified limited partnerships, and nonprofit organizations to construct or acquire, and/or modify existing housing to serve as a group home or assisted living unit for eligible persons and households with special housing needs. The Department uses both state funds from the Group Home Financing Program (GHFP) and the proceeds from the sale of tax exempt mortgage revenue bonds under the Special Housing Opportunities Program (SHOP) to fund these loans. The Department will determine the most appropriate source of funds for the project based on eligibility requirements and underwriting of the project. These resources are funded by the state.

#### ***Disabled Borrowers***

The Homeownership for Individuals with Disabilities Program provides low-interest mortgage loans to eligible disabled homebuyers. These resources are funded by the state.

### **SINGLE FAMILY SPECIAL NEEDS PROGRAMS**

#### ***Maryland Housing Rehabilitation Program (MHRP)***

The purpose of the Maryland Housing Rehabilitation Program is to preserve and improve single family properties and one-to-four unit rental properties. MHRP is a program designed to bring properties up to applicable building codes and standards. These resources are funded by the state.

### ***Maryland Affordable Housing Trust***

The Maryland General Assembly created the Maryland Affordable Housing Trust (MAHT) in 1992 to promote affordable housing throughout the State of Maryland. MAHT promotes affordable housing for households earning less than 50% of area or statewide median income by:

- Funding capital costs of rental and ownership housing;
- Providing financial assistance for nonprofit-developer capacity building;
- Funding supportive services for occupants of affordable housing; and
- Funding operating expenses of housing developments.

### ***Lead Paint Abatement Funds***

These funds provide assistance to homeowners and landlords to lessen the risk of lead poisoning and preserve the housing stock by reducing or eliminating lead-based paint hazards. The program is funded with State funds.

### ***Federal HOME Investment Partnership Program (HOME)***

The HOME Investment Partnerships (HOME) Program is a federal program that provides funds to the State and certain local governments to promote affordable housing activities. A portion of the funds, allocated to an Initiatives Fund, are awarded competitively to stimulate new ideas in housing, initiate pilot programs, and support promising projects. A portion of the funds, allocated to an Initiatives Fund are awarded competitively to stimulate new ideas in housing, initiate pilot programs, and support promising projects. The Special Targeted Applicant Rehabilitation Program (STAR) program utilizes HOME loan funds to preserve and improve single-family properties. The program is designed to either bring properties up to applicable building codes or meet minimum housing quality standards.

## ***ENERGY EFFICIENCY PROGRAMS***

### ***Weatherization Assistance Program (non-ARRA)***

The Weatherization Assistance Program (WAP), operated by the Department of Housing and Community Development's Housing and Building Energy Programs section, helps eligible low income households with the installation of energy conservation materials in their dwelling units. These measures both reduce the consumption of energy and the cost of maintenance for these homes. Funding is provided by the U.S. Department of Energy and the Electric Universal Service Program, along with Baltimore Gas and Electric (BGE) and Washington Gas utility companies.

### ***ARRA Weatherization Assistance Program***

This program helps eligible low-income households through the installation of energy conservation materials in their dwelling units. These measures reduce both the consumption of energy and the cost of maintenance for these homes. Priority is given to homeowners who may be elderly; disabled; have families with children; and/or have the highest energy consumption and are selected based on Weatherization Assistance Program's Rental Property Investment Program's criteria. These resources are funded by the Federal government.

***ARRA Federal BeSmart Energy Loans (Energy Efficiency Conservation Block Grant)***

DHCD's Be SMART program, funded through the US Department of Energy's Better Buildings program, provides increased comfort, safety and affordability to buildings in Maryland through energy efficiency improvements. Through the Be SMART program, financing is available for the purchase and installation of equipment and materials for energy efficiency measures. Such items include, but are not limited to ENERGY STAR qualified: HVAC systems, insulation, windows, draft stopping and duct sealing, appliances and fixtures, and water heating equipment. These improvements are expected to result in energy savings of 15-30%.

**MULTIFAMILY RENTAL HOUSING PRODUCTION AND REHABILITATION**

***Multifamily Revenue Bond Loan Program***

The Department issues tax-exempt and taxable mortgage revenue bonds to finance the acquisition, rehabilitation or construction of affordable multifamily rental housing in priority funding areas. Applications are accepted throughout the year and must meet specified threshold criteria. All loans must be credit-enhanced. Applications that meet threshold are assigned to a bond schedule, underwritten, and must be approved by the Housing Finance Review Committee prior to issuance of the bonds.

***Rental Housing Loan Programs***

The Rental Housing Program provides loans for the development of affordable multifamily housing in priority funding areas. Funds are awarded competitively every eight months in conjunction with federal Low-Income Housing Tax Credits and HOME funds. Non-profit and for profit developers may apply and both new construction and rehabilitation projects are eligible for financing. Local government support and contributions are required. The Rental Housing Production Program (RHPP) rehabilitates affordable rental housing of greater than four units. The Elderly Rental Housing Program (ERHP) rehabs or creates such housing for the elderly and is funded under Rental Services using State funds.

***Partnership Rental Housing Program (PRHP)***

The Partnership Rental Housing Program provides loans of up to \$75,000 per unit for rental housing that will be occupied by households with incomes below 50% of the statewide median. There is no limitation on the maximum project amount but Partnership projects tend to include 100 or fewer units. Local governments must contribute the site and any necessary off-site improvements. State funds may be used for the development costs of building acquisition, construction or rehabilitation of buildings on site. Projects financed by the program are intended to provide rental housing to individuals and households with incomes sufficient to pay rents in amounts necessary to maintain financial self-sufficiency of the project.

***Rental Housing Works Program (RHW)***

The Rental Housing Works Program (RHW) provides subordinate gap financing to be used solely for projects financed using DHCD's Multifamily Bond Program (MBP) and 4% Low Income Housing Tax Credits (Tax Credits). RHW projects must meet the requirements for both MBP and Tax Credits, including those described in the Maryland Qualified Allocation Plan



(QAP) and Multifamily Rental Financing Program Guide (Guide). RHW funding requests will be evaluated and processed in conjunction with the project's MBP and Tax Credit application. For RHW projects also requesting other DHCD sources of funding, such as Partnership Rental Housing Program (PRHP), EmPOWER, or other energy efficiency programs, the projects must also meet the criteria for these additional funding sources. In addition to meeting DHCD's MBP, LIHTCs, and RHF requirements, RHW applicants must also be zoned in conformity with the regulations in place at the time of the application, awards of any complementary competitive awards must be made, and Board of Public Works approval granted.

***Federal Low Income Housing Tax Credit Program (LIHTC)***

Maryland administers the Federal Low Income Housing Tax Credit Program to support the development of affordable multifamily rental housing. Credits are awarded competitively in conjunction with the State's Rental Housing Program funds and federal HOME funds. Tax credits are allocated in accordance with federal IRS rules and Maryland's Qualified Allocation Plan. Credits are subject to recapture for failure to comply with all IRS and departmental requirements. The 9% Tax Credits are awarded on a competitive basis to nonprofit and for-profit sponsors of eligible housing projects. Projects financed with tax-exempt bonds may be eligible for 4% Tax Credits outside of the competitive process. The qualified building must remain in compliance with tax credit income restrictions for a minimum of 15 years.

***Federal HOME Investment Partnership Funds – MF***

The HOME Investment Partnerships (HOME) Program is a federal program that provides funds to the State and certain local governments to promote affordable housing activities. Maryland's program is administered by CDA and a portion of the annual allocation is used in conjunction with existing CDA multifamily and single family programs. A portion of the funds, allocated to an Initiatives Fund, are awarded competitively to stimulate new ideas in housing, initiate pilot programs, and support promising projects.

***Shelter and Transitional Housing Facilities Grant Program***

The Shelter and Transitional Housing Facilities Grant Program (STHGP) provides state funded grants to improve or create transitional housing and emergency shelters. The purpose of the program is to reduce homelessness in the State. New construction, acquisition, rehabilitation of housing, and purchase of capital equipment are eligible activities for STHGP grants. Grants must be used for transitional housing and emergency shelters that include supportive services for their residents. Generally, the grants pay up to 50% of the project costs and are processed on a first-come, first-served basis.

***Local Government Infrastructure Financing Program (LGIF)***

The Local Government Infrastructure Financing Program administered through the Department Community Development Administration (CDA) issues bonds, on behalf of counties, municipalities and/or their instrumentalities, to finance projects that serve the community at large. These projects can include, but are not limited to, streetscape improvements, transportation enhancements, and water and sewer treatment facilities. CDA issues tax-exempt bonds as a way of raising capital, and loans those bond proceeds to local governments. The interest rate on the local government loans is subject to market conditions at the time of sale -

based upon the rate attained on CDA's pooled bond issue. Local governments are responsible for repaying the debt incurred through the bond financing and for paying their pro-rata share of the costs of issuance of the pooled bonds. To secure payment of the loans and to enhance the marketability of the bonds that are sold to fund the loans, each participant pledges its full faith and credit to make payment on the loan. All Maryland counties, municipalities and/or their agencies are eligible, provided they have legal authority necessary for constructing, operating and maintaining the proposed project, pledging security for and repaying the proposed loan, and pledging income tax payments and various other shared revenue from the State.

### ***Selected Definitions***

- ***Developers Fees***: Fees paid to the project sponsor for their efforts in putting the deal together. The fees must include all fees paid to processing agents and development consultants. The range of allowable developer's fees is from 10 percent to 15 percent of total development costs as approved by CDA.
- ***Reserves***: Funds put into bank accounts to cover unexpected costs during operation of the project. Reserves shall range from 3 to 6 months of projected operating expenses plus all required debt service payments, and monthly replacement reserve payments.
- ***Soft Costs***: All other costs of the project, including architectural and engineering fees, permits, financing costs, legal fees, etc.

## **MULTIFAMILY RENTAL SERVICES PROGRAMS**

### ***Federal Section 8 Housing Choice Voucher Program (HCVP)***

The Section 8 Housing Choice/Voucher Program is a federal program that provides monthly rent assistance for low income families. The family pays approximately 30 percent of their income toward the rent with the balance of the monthly rent paid by the Section 8 assistance.

### ***Federal Section 8 Performance-based Contract Administration Program – CA/PBCA***

The Contract Administration (CA) unit is under contract with HUD to administer HUD's project-based Section 8 contracts in Maryland. The contract is performance based, that is, the monthly fee paid by HUD to CA varies depending on CA's performance of 13 tasks against specified timeframes and measures. Contract Administration's tasks are outlined in an Annual Contributions Contract (ACC) executed between the Department and HUD. These tasks include review and inspection of records on the project site to ensure compliance with tenant income restrictions and other HUD record keeping requirements, review and approval of monthly payments to landlords, renewal or termination of expiring contracts, and rent adjustments.

### ***Rental Allowance Program***

The Rental Allowance Program (RAP) is a state funded program that provides monthly rental assistance for low income families who are homeless or have an emergency housing need. The monthly payments are fixed amounts, depending upon the size of the family and the location of

the rental housing unit in the State. Payments can be received for up to 12 months, and may be extended under special circumstances.

***Section 8 Moderate Rehabilitation Program***

Section 8 Moderate Rehabilitation Program for Single-Room Occupancy Dwellings for Homeless Individuals (Section 8 SRO program). The Section 8 SRO program was created under the Stewart B. McKinney Homeless Assistance Act to provide funding to rehabilitate existing structures to create SRO housing for homeless individuals of very low income.

***Housing Opportunities for Persons with AIDS (HOPWA)*** – This program is a federally funded Rental Assistance Program administered by the Department of Health and Mental Hygiene (DHMH), AIDS Administration. The housing portion of this program is administered by DHCD under a memorandum of understanding between DHMH and the Maryland Department of Housing and Community Development.

***Developmental Disabilities Administration Bridge - DDA Bridge***

This program, which is funded as a rebalancing initiative through the Money Follows the Person Grant (MFP), provides rental subsidies to eligible applicants. This program, created by DDA, is a partnership between DHCD and DDA; and housing authorities across the state have been invited to participate in the program. The DDA/MFP Bridge Subsidy Program provides rental assistance to eligible participants for up to 5 years, at which time the person will receive permanent assistance through the local Housing Choice Voucher (Section 8) program or in public housing. Participants will pay 30% of their monthly gross income toward their rent, which includes a utility allowance. The remainder of the rent is paid by the Bridge Subsidy. Eligibility criteria for people with developmental disabilities apply.

## **NEIGHBORHOOD REVITALIZATION PROGRAMS**

***Community Legacy – CL***

This program provides flexible financial assistance in the form of grants and loans to local governments and community-based organizations for a variety of community economic development projects and activities that help Maryland's neighborhoods become vibrant places to live, work and play.

***Neighborhood Business Works Program - NBWP***

The Neighborhood Business Works Program provides flexible gap financing in the form of below-market interest rate loans to small businesses and loans and grants to nonprofit organizations locating or expanding in locally designated neighborhood revitalization areas.

***State Community Investment Tax Credit Program - CITC***

The Community Investment Tax Credit Program, formerly called the Neighborhood Partnership Program, supports nonprofit projects by awarding allocations of state tax credits to nonprofit organizations to use as incentives for business contributions. Any business may reduce its

Maryland tax liability by contributing cash or goods to support CITC projects. The business earns credits equal to 50 percent of the contribution, in addition to deductions on both State and federal taxes as a result of the charitable contribution.

***Federal Emergency Shelter Grants - ESG***

Under the Emergency Shelter Grants (ESG) Program, funds are used to support homeless shelters and homeless services programs in the non-entitlement areas of the State, which includes primarily the rural counties and towns. This program is federal funded.

***Federal Community Development Block Grants - CDBG***

Federal Community Development Block Grants enable units of local government to carry out housing, public facility and economic development activities which predominantly benefit low and moderate-income persons. The funds are restricted to the non-entitlement areas of the State, which include the rural counties and towns.

***Federal Community Services Block Grants - CSBG***

Federal Community Services Block Grants assist low-income people in attaining the skills, knowledge and motivation needed to achieve self-sufficiency. The services and activities provided by the Community Action and Limited Purpose agencies can include: housing, Head Start education for children, nutrition programs, transportation, employment services, and emergency services.

***Foreclosure Prevention Housing Counseling***

This state grant program provides funding to nonprofit counseling agencies for counseling activities related to foreclosure prevention.

***Federal Neighborhood Stabilization Program (NSP)***

The Neighborhood Stabilization Program was established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. NSP funds authorized under Division B, Title III of the Housing and Economic Recovery Act (HERA) of 2008 provides grants to all states and selected local governments on a formula basis. NSP funds authorized under the American Recovery and Reinvestment Act (the Recovery Act) of 2009 provides grants to states, local governments, nonprofits and a consortium of nonprofit entities on a competitive basis. NSP is a component of the Community Development Block Grant (CDBG). The CDBG regulatory structure is the platform used to implement NSP and the HOME program provides a safe harbor for NSP affordability requirements.

***Neighborhood Housing Services***

Neighborhood Housing Services Program participants partner with residents, financial institutions, community organizations, local governments and the State to stabilize and improve the housing market and other conditions in targeted low- and moderate-income neighborhoods.

***Circuit Rider - Maryland Town Manager Circuit Rider Grant Program (CR)***

This state funded program enhances the management capacity of small town governments by providing grants which allow them to hire public management professionals. A professional administrator “Rides Circuit” serves, on a part-time basis, as an official for several towns in the same area, and provides expertise in public administration, financial management, planning, and community development.

***Technical Assistance Grant Program (TAG)***

The Technical Assistance Grant program evaluates applications during two application rounds in each fiscal year for grants to nonprofit organizations, local governments, local development agencies and local development corporations to obtain or provide advisory, consultative, training, information, and other services which will assist or carry out community development activities.

***Baltimore Regional Neighborhoods Initiative (BRNI)***

The Baltimore Regional Neighborhoods Initiative provides flexible financial assistance to nonprofit community development organizations to accelerate the competitiveness of target communities in the Greater Baltimore region for new homeownership and private-sector business, residential and commercial investment. Assistance is in the form of capital projects serving housing, community and economic development needs that advance a focused, multiyear neighborhood revitalization and investment strategy; and operating support to implement capital projects and administer revitalization strategies.

***Strategic Demolition and Smart Growth Impact Fund (SDSGIF)***

The Strategic Demolition and Smart Growth Impact Fund provide financial assistance to catalyze activities that accelerate economic development, job production and smart growth in existing Maryland communities. Local governments and nonprofit community development organizations may apply for funds, which target predevelopment activities to jumpstart development, including site acquisition and assembly; demolition; site preparation such as public infrastructure improvements; and construction-level architectural and engineering designs.